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COMMERCIAL UNION CLUB OF TORONTO

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HANDBOOK OF COMMERCIAL UNION:

A Collection of Papers

READ BEFORE THE COMMERCIAL UNION CLUB, TORONTO,

WITH

SPEECHES, LETTERS AND OTHER DOCUMENTS

IN FAVOUR OF

*Unrestricted Reciprocity with the
United States.*

PRECEDED BY

AN INTRODUCTION

BY MR. GOLDWIN SMITH.

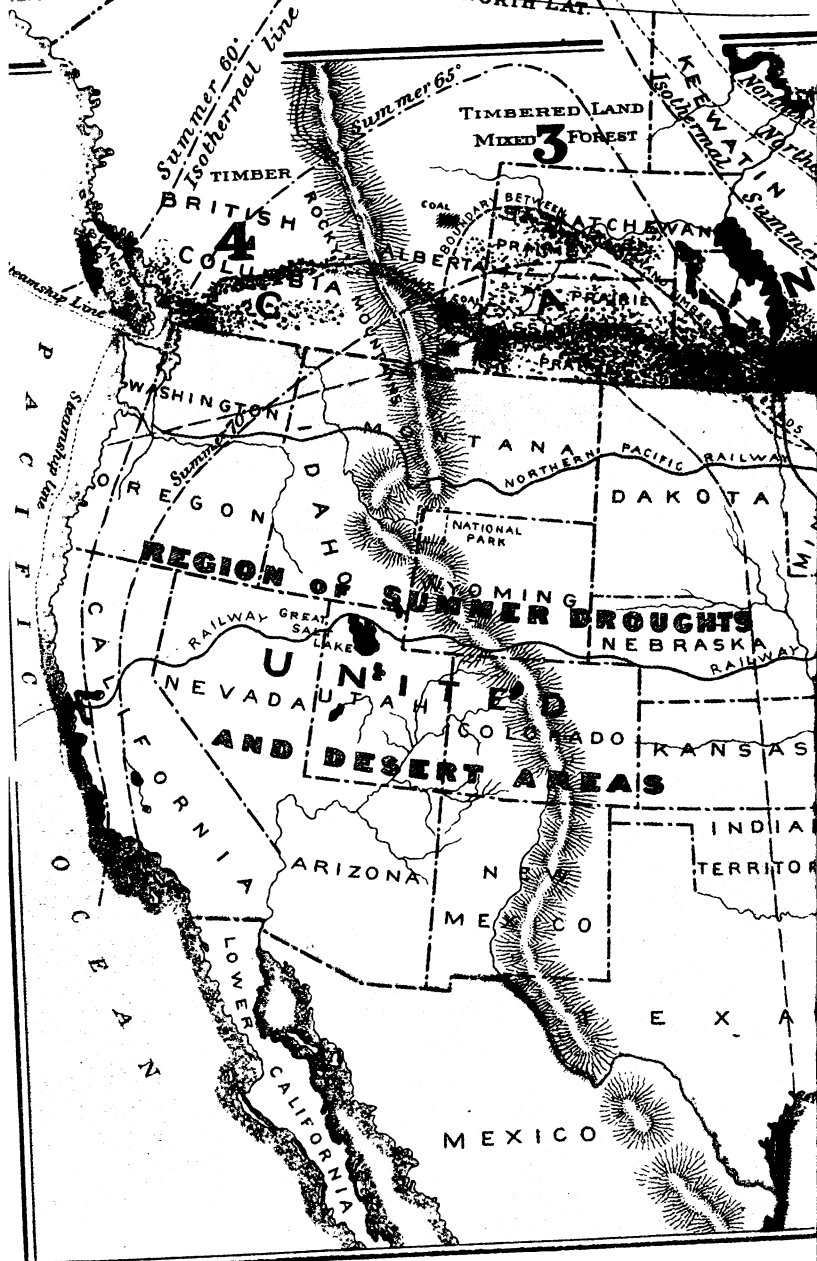
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INTRODUCTION.

The question on which the following series of papers is intended to throw light may be safely said to be the greatest which has been submitted to the Canadian people since Confederation. It has just given rise to a debate in Parliament, second only, if second, in importance to the debate on the Federal Constitution.

The movement for the abolition of the tariff wall between Canada and the rest of the continent had not its origin in any conclave of schemers or any artificial organization. Of the men who afterwards came to the front in it, not three had been known to each other; nor was it in any way organized till it had for some time been on foot. It had not its origin in party, for among its principal promoters were men of both parties and men of neither. Some, at least, of the Conservatives saw in it the logical sequence of the policy which had adopted Reciprocity of Tariffs only as the necessary alternative to the more desirable Reciprocity of Trade. It had its origin among the people, whose attention had been turned to their trade relations with the continent, by the Fisheries question, by the Manitoba Railway question, by a season of agricultural depression, and above all by the manifest failure of what is called the National Policy, that is the application of the Protective system to markets so narrow as those of the Cana-

dian Provinces. The movement may be said to have taken practical shape at a convention of farmers, who had grown tired of being forced to sell in the cheapest market and to buy in the dearest.

The farmer has, as yet, had nothing to say to the tariff. His industry, though comprising, if we include those dependent on it as well as those engaged in it, the bulk of our population, has, together with the other natural industries of the country, such as lumbering, mining, fishing, and ship-owning, been denied the title of national, which has been reserved for manufactures, and especially for such manufactures as are not natural growths, but the creations of artificial legislation. On the eve of a general election the Prime Minister assembles the manufacturers, and intimates that in requital for their votes and contributions, the commercial policy of the country will be regulated in their interest; but he does not assemble the farmers, the lumbermen, the miners, or the fishermen. The Ontario farmer has been made to pay a vast sum for the construction of the Canadian Pacific Railway by which, instead of obtaining any commercial advantage, he brings down the most formidable competition on himself, while he is made to pay a tax on his clothes and other articles of consumption for the benefit of the protected manufacturer. It is not wonderful that the Ontario farmer, the truth having once dawned upon him, should declare for Reciprocity. It is not wonderful that over forty of the Farmers' Institutes of the Province should have pronounced, as they have, in favour of the object of Commercial Union.

If this movement had done nothing else it would have been most useful in affirming that the commercial policy of the country is to be regulated, not by one industry alone, however important and respectable, but by all, and not least by those which being native to the country must after all be the chief sources of its wealth and the main pillars of its prosperity.

The farmers, as has been said, have declared their opinion by a great majority. So have the lumbermen in convention assembled. The mining interest is almost too much depressed to make itself heard; but when it finds a voice, that voice is loud in favour of the removal of a tariff wall which keeps our vast mineral resources dormant, by preventing the free export of ore, the free import of machinery, and the free inflow of the American capital required by the risks of mining enterprise. The people of Port Arthur know that if ever the rich treasure-house of minerals in the midst of which they dwell could be unlocked by the key of Unrestricted Reciprocity, their village would become a mining city. Our fishermen desire, as one man, a free market for their fish; our ship-owners, the freedom of the coasting trade, which alone can restore life to the shipping interest in the Maritime Provinces. Our manufacturers, those at least whose industries rest on a solid commercial basis, are for the most part ready, while some of them are more than ready, to go into the free market. They agree with Mr. Gibson, the owner of one of the largest cotton factories in the Dominion, who says: "I want Unrestricted Reciprocity because it will give me a large market, and I am not afraid to com-

pete with manufacturers to the south of us. I believe I have money enough and brains enough, and our people are intelligent enough, to enable us to compete successfully with those who are manufacturing cotton to the south of us. Give me the market, that is what I want." There is political opposition to Commercial Union of a very formidable kind, but the commercial opposition is confined to those manufacturers who feel themselves dependent on Legislative protection, together with the banks which have advanced them capital, and the wholesale houses specially connected with them. It is to be lamented, and those who have taken the lead in this movement do sincerely lament, that justice cannot be done to the interest of the many without some risk of injury to the few ; but the many in this case are very many, the few are very few. The responsibility for any loss which may ensue must rest upon the politicians who, having proclaimed that their policy was not protection but readjustment, and that they had recourse to a reciprocity of tariffs only because they could not get reciprocity of trade, afterwards yielded to temptation, and attached to themselves a corps of political supporters, dependent on their legislative patronage, by holding out to those who would engage in manufactures the promise of permanent protection.

The map prefixed to this volume puts the broad argument in favour of Commercial Union before us at a glance. It shows the main expanse of the cultivated and inhabited continent, occupied by the United States, in the enjoyment of perfect internal free trade, and owing to

economical unity its incomparable prosperity ; each State, even those which by nature are the poorest, manifestly deriving wealth from commercial intercourse with the rest. Disposed at intervals along the northern margin of the continent are the four separate blocks of territory which politically make up our Dominion, the Maritime Provinces, Old Canada, French and British, the newly opened region of the North-West, and British Columbia. Each of these blocks of territory is divided from the rest by wide uncultivable spaces, or by such barriers of nature as Lake Superior or the "sea of mountains" between the North-West Territory and British Columbia. They are all shut out by the tariff wall from the Commercial pale of their continent, which is thus deprived of the benefit of their natural resources, while they are deprived of their market. The continent is the natural market for the products of the farm, the forest, the mine, and the waters in which they severally abound, and its coasting trade is the natural field for the maritime industry of such of them as lie upon the sea. With each other they have scarcely any natural trade. An effort has been made to force a trade between them by means of a protective tariff, and at the same time to bind them together by political railroads. The attempt to force a trade has failed, like all other attempts to turn commerce out of its natural course. The coal tax imposed in order to compel Ontario to use the coal of Nova Scotia was abandoned as futile, not, however, before it had marked the weakness of a policy which with one hand beckoned manufactures into Ontario, and with the other checked the importation of the fuel

necessary to their existence. The merchants of the Maritime Provinces, as Mr. Longley, the Attorney-General for Nova Scotia says, make constant visits in the way of trade to Boston and New York, but none to Toronto ; the business men of Ontario go daily backwards and forwards between the Province and the American cities, while their visits to Halifax, in the way of business, are very rare. The moral which Attorney-General Longley draws from our experience is, "That the Maritime Provinces have no natural or healthy trade with the Upper Provinces, but with the New England States ; that the Upper Provinces have no natural trade with the Maritime Provinces, but with the Central and Western States adjoining them ; that Manitoba has no natural trade with the older Provinces of Canada, but with the Western States to the south of them ; that British Columbia has no trade with any part of Canada, but with California and the Pacific States. In other words, that inter-Provincial trade is unnatural, forced and profitless, while there is a natural and profitable trade at our very doors open and available to us." This is the moral which the map, geographical and economical, enforces. In the Maritime Provinces the disappointment has been so great as to lay a heavy strain on Confederation. Each Province is practically confined to its own market, which is in no case large enough for the natural products. To any one looking at the Continent as an economical whole apart from political divisions, to draw a tariff line across it would seem insanity ; and economy takes no notice of mere political lines.

The success of the political railways, constructed at

enormous expense, in giving effect to the Separatist policy has hardly been greater than that of the protective tariff. The Intercolonial Railway, after costing in all forty-six millions, is run by the Government at an annual loss, apparently, of half a million, and the Government itself is actually promoting a commercial line direct through American territory, which can hardly fail to complete the ruin of its own political line. The Canadian Pacific was to be an exclusively national undertaking, and the iron bond of our nationality. No American was to have anything to do with its construction, and it was guarded by monopoly clauses against any connection with the American system. But the Syndicate included an American firm, and the abrogation of the monopoly clauses, which had brought Manitoba to the verge of insurrection, has been purchased of the company by the Government; a unique instance probably of a payment made by a Government for the reversal of its own policy. The Canadian Pacific Railway Company is itself connecting Canada with the American system at the Sault, and its operations in the East have a manifest tendency in the same direction. As a colonization road the railway is unsuccessful, as it spins out settlement over a line of eight hundred miles, carrying the settler far away from his centre of distribution, increasing his freights both on exports and imports, and depriving him of the general advantages of close neighbourhood. To what military or Imperial uses it may be put is another question; we are dealing here only with the matter in its commercial aspect, and in its relation to Canada. The removal of the tariff by permitting

the export of ore, admitting mining machinery, and opening the door to American capital, would awaken mining industry on the Northern shore of Lake Superior to the life which it already displays upon the Southern shore. Nothing else, apparently, in the way of Canadian commerce can save the Lake Superior section of the line from the fate of the Intercolonial.

The fruits of an economical policy which defies nature and seeks to override her decrees, are a mass of public debt piled up while that of the United States has been in course of rapid reduction, and commercial atrophy. Commercial atrophy is what everybody must see would ensue if one State of the American Union were cut off by a tariff wall from the rest and set, as it were, to feed on its own juices. It is of course felt more in Nova Scotia and New Brunswick, where the market is smallest and least adequate to the consumption of the natural products, than in Ontario and Quebec, which form a market of respectable size in themselves, though the division of race and language between the British and French Provinces which is so fatal to our hopes of national unity, probably also forms a certain obstacle to trade. There appear to be some who need reminding that the size of a market is proportioned to the population and the purchasing power, not to the extent of territory which, on the contrary, diminishes the market if the people are scattered widely over it, so as to increase the difficulty and cost of distribution. The inevitable consequence of commercial atrophy is seen again in the exodus which robs Canada of so many of her sons just at the age when, the country

having been at the expense of their bringing up, the loss is greatest, and of no small amount of property with them. Sir Richard Cartwright reckons that in the last twenty-five years Canada has lost one out of every four of the native population and three out of four of the immigrants. If this is not political it is economical and social annexation.

The effects of the system have been most severely felt in the North-West, which though superior to Dakota both in soil and climate has been kept behind it, and notably retarded in point of population, by the double pressure of Railway monopoly and an adverse tariff. Nothing surely more extraordinary was ever undertaken by a government than to force that whole region to have no commercial outlet except at Montreal. Nor is anything in modern commercial legislation more cruel than the enactment which debars the poor settler of the North-West from supplying his wants in the market close at hand, and compels him to fetch his farm implements, the materials of his dwelling, and many of the necessities of his life, from a distant Province. The bonds of Railway Monopoly have been burst, not without the indirect assistance of the movement in favour of Commercial Union. It remains for the people of the North-West, in alliance with the friends of Commercial Union here, to burst the bonds of the adverse tariff, and thus remove the second of the two great obstacles which have hitherto retarded the progress of their country.

Reciprocity in natural products we once had, and our tariff contains a standing offer of its renewal. The offer,

it is well known, will not be accepted unless we make the bargain fair to the Americans by consenting to a reciprocity of manufactures ; but it is an admission by our Government of the value of the American trade, and a conclusive answer to all the arguments which have been urged on the other side, so far as natural products are concerned. The various attempts which the Government has made to negotiate commercial treaties with foreign nations in Europe or South America, and the projects for extending commercial intercourse with the West Indies and Jamaica, are in like manner avowals of a consciousness that our market is too narrow. Their authors might be charged, as Commercial Unionists are, with disparaging the country, if the country is disparaged by saying that improvement is needed in its commercial position.

The farmer is told that Protection, by forcing manufactures into existence, will provide him with the market which he needs. It is a market created at his own expense, since he pays for it either in the raised prices or in the lowered quality of the goods. Such a policy is rational if a man can "raise himself by his own boot-straps," and if a country can be enriched by taxation. Let capital and industry find their own way into the most profitable channels. Develop the natural resources of the country, its lumber, mines, fisheries, shipping industries, and agriculture itself, in the only possible manner, that is by giving them a good market ; population will then increase of itself, and farmers will have customers without paying for their creation. It has been said by one who had studied

the subject that the farmers along the front of our country ought to have enough to do in feeding the miners at the back. The exodus probably carries off as many consumers as protected manufactures bring.

Applied as it is here, not to a continent like the United States, but to a small market, Protection has not failed visibly to produce its inevitable fruit—spasmodic overproduction followed by a glut, short time, and “combines.” When the authors of the policy point with exultation to the new factories which they have called into being, the answer is that capital and industry may of course be misdirected by legislation, but that in a short time the results will appear.

Literary men are specially conscious of the harm done by the tariff to what may be called the intellectual economy of the country. Our book stores, which cannot afford to keep a large supply of first-class books in stock, are cut off from their centre of distribution, and can therefore only at a risk, which in more than one case has proved ruinous, lay the highest literature before their readers. This must have its effect on the tastes and the intellectual progress of our people.

We talk of the admission of American manufactures to this country, which is the necessary condition of the admission of our national products to the United States, as a concession on our part to American demands. But let it be remembered that so far as the consumers, that is the bulk of our people, are concerned, the concession would be no loss, but a very great gain. The mass of us are not

manufacturers, and our interest is to have the best and cheapest goods that we can get.

Say what we will, there must always be the closest connection and sympathy between our commercial system and that of the great nation with which we divide the continent. A change of fiscal policy is apparently impending in the United States. If it comes, its effect cannot fail to be felt here. A Canada commercially restricted by the side of a free continent, all must see would be a moral impossibility. Not in a spirit of malicious exultation, but in a spirit of friendly warning, we may say to the Canadian Protectionist, "Listen to the sound which comes to you from the other side of the line, and set your house in order, for if events continue to march in their present direction, the death-knell of your system has been tolled."

That the United States are our natural and our best market will be found amply demonstrated, as regards our industries generally, in the speech of Sir Richard Cartwright, and as regards the farming industry specially in the paper of Mr. Shaw. If the volume of our American trade has hitherto been somewhat less than that of our British trade, it is evidently because our American trade has been checked by the tariff wall, while the British trade has been free. Even under these conditions the difference of our exports to the States and our exports to Great Britain is only that between thirty-five millions and thirty-eight millions, making no allowance for the habitual under-valuation of goods on which duty has to be paid. To the other nations of the earth, after all our efforts to extend our connections, we export to the value only of

seven millions. Wherever there has been an opening in the tariff wall trade has rushed through: our export of eggs upon the removal of the duty rose in value from a nominal amount to two millions. Even where there has been no opening, trade by its natural force has overleaped the wall, and for our horses, our sheep, our hides, our barley, our hay, our potatoes, our coal, our gypsum, our salt, our stone and marble, the United States have been far our best, and in some instances our only, customers. That market has all the advantages of a home market, which are very great in many cases, as in that of horses, which if sent to England may stand long at livery waiting for a purchaser, whereas here they are taken up on the spot. Our lumber so struggles to pass the barrier that one of our lumbermen, and not the greatest, has paid within a few years duty to the amount of \$365,000. A large proportion even of our stock finds its way, in spite of the duty, to the American market, and our great stock-farmer, Mr. Valancey Fuller, has shown his opinion as to the interests of his trade by heading the movement in favour of Commercial Union. It is the strong conviction of those best qualified to judge, that were the tariff wall removed there would be a large export of fine wheat from Manitoba and the North-West Territories into the United States. Under the reciprocity treaty our trade with the United States increased by "leaps and bounds"; our exports to the States in the last year of the treaty having, as Mr. Mulock shows, considerably exceeded their present amount, notwithstanding the subsequent increase of our population. A comparison between the American

and the British market is almost needless, since, while the American market would be opened, the British market would not be closed. The American market increases rapidly in wealth and purchasing power. It may safely be said to be the best market in the world. Should the depression of wheat-growing in England turn the farmers there to stock-raising and dairy-farming, native products will compete more seriously with Canadian exports, while wheat-growing in India still expands. In Mr. Mulock's speech will be found instructive statements respecting the relative increase of our trade with England and with the United States. Mr. Mulock finds that in spite of the tariff there are imported into the United States from foreign countries, \$61,000,000 worth of products, all of which could have been supplied by Canada, so that the argument that the identity of products in Canada and the United States would be fatal to trade between the two countries falls to the ground.

Attention is always directed to the interest of the producer and exporter. It is forgotten that the consumer also has an interest in trade, and that in fact it is for the interest of the consumer that trade exists. In spite of the tariff Canadians buy forty-five million dollars' worth annually of American goods, and we cannot doubt that it would be for their advantage, or that they would be glad, if the trade were free, to buy more.

Mr. A. H. Campbell's deliverance on the subject of the lumber trade is brief but decisive. That industry, our greatest save farming, is unanimous, and there is in truth no argument on the other side. The only objection which

has been raised is that our forests might be too rapidly consumed in meeting the increased demand. But in the course of the discussion which followed Mr. Campbell's address the objection was met by the obvious reply that the lumber when its value was increased would be more carefully husbanded and better protected against fires.

The notion, so sedulously fostered, that the artisan has an interest in Restriction, is confuted in the paper of Mr. Jury. Other conditions being equal, as in this case they are, it is impossible that the artisan should not gain by an extension of the market for his labour and an increase in the number of employers who compete for it. Mr. Jury points out, what others also have remarked, that the standard of living is higher among artisans in the United States than it is here. If this is the case, the test of any system being the well-being of the labourer, there is little more to be said. The Canadian artisan must surely by this time be aware that protection applied to a small market like ours, after temporarily stimulating production and perhaps raising wages, is followed by depression and short time. He as well as his employer will find instruction in the paper on Canadian Industry by Mr. Farrer, given among our extracts from the *Mail*.

That our shipping interest, both on the seaboard and the lakes, is most important is not less certain than that it suffers at present under heavy disabilities which Commercial Union would remove. Mr. Thomas Conlon, of Welland, tells us that our inland marine has of late been disappearing from the lakes. Vessels, he says, trading with American ports have often to return without a

cargo, while trade between American ports is interdicted to them. He pronounces Commercial Union of vital importance to the marine interests of the country. Captain Hall, a large vessel-owner, follows in the same strain, deploring the depression of the shipping interests and ascribing it to the disabilities under which owners of vessels engaged in the coasting trade are subjected by the policy of restriction.

The fear that, if the Customs line were removed, Toronto would be swallowed up by New York, will be laid to rest, it is hoped, by the paper of Mr. Janes. Why should Toronto be swallowed up when Detroit, Buffalo, Rochester and Syracuse flourish, when the price of residential land there is much higher than in Toronto, and when Albany, within four hours' run of New York, continues to grow? The growth of Toronto is due not to the restriction of trade, but to the multiplication of railways, and to the increasing taste for city life. It goes on at the expense of the smaller towns and villages of the Province. It will be accelerated by anything that increases the general prosperity, and enables more retired farmers and others to migrate from the country to the city.

To the speech of Sir Richard Cartwright, again, the reader may be referred for an answer to the financial question, as to the mode of meeting any deficit in the revenue caused by the abandonment of the Customs duties on the American frontier. Let it be remembered that at most there will be not an increase in the amount of taxation, but only a change in the mode. It can hardly

be worth our while to sacrifice our best market, and to keep our richest natural products undeveloped and our industries dormant, merely for the sake of raising seven millions of our revenue in a particular way. After all, we are not sure that if the division of the seaboard duties between us and the Americans was regulated on a liberal principle, to which the Americans with an overflowing treasury might agree, the exigency would arise. Increased prosperity would bring with it increased productiveness of the other sources of revenue. But much may be done in the way of retrenchment, and with not less advantage to our political morality than to the public purse. We may put an end to Better Terms and to the lavishing of money in local works, which to the dishonor of the country is constantly held out by government candidates as a bribe to electors. The public expenditure has increased since the Mackenzie administration by a sum larger than the receipts from customs on the American frontier. It should be borne in mind too, that the collection of the customs duties in the North-West along a perfectly open frontier of eight hundred miles, with an identical population on both sides of it, and among people to whom the tariff is a sheer nuisance, will be difficult, if not impossible. Even along the St. Lawrence it is said that smuggling is so rife as to interfere with the regular trade.

There is a cry even from opponents of Commercial Union for the development of our mines, and with great reason, as Mr. Ledyard's paper shows. But the mines can be developed only by opening a free market for the

ore, and at the same time letting in mining machinery and inviting the American capital which is needed to meet the risks of mining enterprises. Nothing but free trade can give life to that industry, or bring forth the buried treasures to the profit of the whole continent. It is fatuous to talk of stimulating production without a market, as the catastrophe of the iron duty proves.

The commercial argument, of which these are the leading facts, will be found worked out in detail and with reference to the several industries in the following pages. It can hardly be said, however, that any stand is made by the opponents of Commercial Union on the commercial ground, except as regards the case of those manufactures which are, or are alleged to be, dependent on protection. That our lumber, our minerals, our fish, our stock, our horses, our barley, our poultry, our potatoes do not want the market of our continent, or that our ships do not want the coasting trade, no one seriously contends. Nor has any one ventured to maintain that a Canadian province gains or that it does not heavily lose by the commercial isolation which to a State of the Union would assuredly be ruin. Upon the commercial issue it has been truly said that the Finance Minister has thrown up his brief, as some at least of his clients are aware. The objection which is most strenuously urged, and probably with most effect, is that which is met in the paper by Mr. Lockhart Gordon. Commercial Reciprocity with the United States, it is said, as it must involve discrimination in favour of American against British goods, would be a breach of our duty to the Mother Country.

This is vehemently asserted by men who are at the same time doing their utmost to exclude British goods by protective duties; and the assertion is fortified not only with loud professions of disinterested loyalty on the part of those from whom it proceeds, but with charges of disloyalty and subservience to sordid interest against opponents which give us sometimes reason to lament that in this age of advanced civilization we have not yet learned to discuss a public question without loss of temper and violation of good manners. If the Governor-General is ready to admit that many Commercial Unionists are as loyal as he is himself, the angry discussion as to whether Commercial Union is compatible with loyalty may surely cease. If it were proposed that we should effectually get rid of the danger of discrimination by admitting British as well as American manufactures free, what would the loyal Canadian manufacturer reply? Lord Lansdowne, in his speech at the Ottawa banquet, allowed that Commercial Union would be advantageous in a pecuniary point of view; in other words, that without it the Canadian people could not enjoy the fair earnings of their industry or the measure of prosperity which nature had intended for them; but he suggested that it might be "a moral affront" to the Mother Country. A moral sentiment which is not affronted by exclusion, but is affronted by discrimination, must surely be a curious mixture of delicacy with fortitude, and, if it stands in the way of justice to five millions of people, may itself be a proper subject for revision. When the duty was imposed by us on British

iron, Canada was denounced in the House of Lords as having "imitated the conduct of Regan and Goneril," as being "indifferent whether she injured the Mother Country or not," as "acting without any regard to the Mother Country;" and it was declared that "the boasted unity of our Empire had proved merely a poetic sentiment." Yet this feeling as well as the feeling against our new tariff generally has subsided. The Commercial Unity of the Empire has been abandoned; this Lord Lansdowne in effect admits, and he holds out no hope to the Imperial Federationists of the adoption of the fiscal part of their scheme. Surely then it follows that each colony is at liberty, like the Mother Country, to do the best it can fiscally and commercially for itself, provided it breaks no Imperial treaties, without being deemed guilty of any breach of duty to the Mother Country. The circumstances of Canada are peculiar, being those of a colony territorially interlocked and commercially bound up in interest with another nation. To the pressure of these circumstances it is, not to a tendency to play the part of Goneril or Regan, that anything peculiar in our proposed fiscal arrangements must be referred. It is not against England that we should discriminate, but only against a very limited number of exporting houses, whose interest, if equality is the principle of the Empire, ought surely not to prevail over that of the whole Canadian people. The Queen would lose no jot of revenue or of allegiance. But Mr. Dryden seems effectually to dispose of an objection, which, to say the truth, was hollow enough when raised by the opponents of protective duties on British goods, by showing that in fact we do already practically discriminate between the total of English and the total of

American imports to the disadvantage of the former in the ratio of $4\frac{1}{2}$ per cent., while with regard to free goods also we are more liberal to the United States than to Britain. If the assertion of entire fiscal independence without regard for English interests is affronting, the language of the Canadian Premier could hardly be void of offence when speaking of the tariff he said, "I am, as far as this question goes, up to the handle a Home Ruler. We will govern our own country; we will put on the taxes ourselves. If we choose to misgovern ourselves we will do so, and we do not desire England, Ireland or Scotland to tell us we are fools. We will say, if we are fools we will keep our folly to ourselves. You will not be the worse for it, and we will not be the worse for any folly of yours.' But before we fall into paroxysms of indignant loyalty let us wait and see what Great Britain will say when the case is fairly put before her. Her interests in this country as an investor are much larger than her interests as an exporter, having been valued on good authority at six hundred million dollars, and having increased of late. Our purchasing power and our value as customers would rise with our prosperity, and our tariff, which Sir R. Cartwright pronounces already hardly less unfavourable to England than the American tariff, would certainly not become more unfavourable after assimilation, if opinion in the United States continues to advance in the present direction. Nor are British statesmen likely to be insensible to the danger of compelling the Canadian people to choose between their attachment to the Mother Country and their bread. Their hand has probably been felt in the deliverance of the North-West from Railway Monopoly, and to their practical wisdom it must be ap-

parent that whatever may be said about sentiment and however sincerely, upon the beneficence of the government in these days depends the loyalty of the people. That it is possible to desire Commercial Union for Canada and at the same time to study British interests and be heartily devoted to England, is a fact of which they can hardly fail to be aware.

That Commercial Union must be followed by political connection is a suspicion which has been sedulously propagated, and has found entrance into many minds. It is partly fostered perhaps by the name, which however, was adopted, it is believed, with the special object of marking that the Union was to be commercial only, and not political. No one will contend in face of familiar facts that two independent communities cannot make a commercial treaty without altering their political relations. In the present instance, no doubt, a necessity of an unusual character will be entailed by the combined action of the geographical relation and the present fiscal policy of both nations. The internal Customs line being removed, if Custom duties are still to be levied on the seaboard, it will be necessary to assimilate the tariffs, otherwise there will obviously be smuggling through one country into the other. But this is really no more subversive of our independence, or disparaging to our honour, than other incidents of our geographical relation to the United States, such as our obligation to them for the use of their winter ports, and for the transmission of our goods in bond. It happens that as the tariffs are approaching a level the difficulty of negotiation would

not be great. The Ottawa Parliament and Government would hardly be inclined to commit suicide because they had made an agreement with the Government at Washington respecting the rate of tariff. Among the Americans, as everybody who knows them will say, there are few who care about annexation, and the few who do are, it is believed, generally hostile to Commercial Union, which they think would deprive annexation of its most powerful leverage, and at the same time take the strain off Canadian Confederation. Unifying forces of various kinds are constantly, and with ever-increasing energy, drawing together the two portions of the Anglo-Saxon race upon this continent, which were separated by the civil war, for a civil war it was, in the last century. Of these, railway communication, of which many Separatists are themselves active promoters, and the exodus, of which their policy is the perennial cause, are certainly not the least operative. What will be the ultimate result perhaps the next generation will see. But those who, instead of giving themselves up to vague alarms will look clearly into the practical bearings and probabilities of the case will find, it is believed, no reason for apprehending that Commercial Union in itself would entail political annexation. It has been said that in Germany unification followed the Zollverein. The Zollverein, however, was at most a secondary cause. Germany, though politically decentralized, had been time out of mind a nation.

Commercial Union has been voted down at Ottawa by the same majority which last Session voted for the retention of Disallowance on equally lofty grounds and with

the same asseverations that the policy of the Government was essential to the integrity of the nation. The Prime Minister listened in silence to the torrent of loyal and patriotic declamation, perhaps smiling to himself as he thought what the future might have in store for the declaimers. The Finance Minister was prevented from taking part in the debate by sickness. When he did come forward in connection with the Fisheries question, it was to avow that all that his party had said against the advantages of free trade with the United States was naught, and that he had been taking the opposite line at Washington.

On the American side the progress of the movement is such as to put out of court the invidious allegation that we are laying Canada at the feet of the American government. The movement is thoroughly reciprocal; care indeed was taken on our side not by any premature demonstration to expose ourselves to the charge of presenting Canada in the attitude of a suppliant. The Americans are in fact formally in advance of us, since the Committee on Foreign Relations has adopted Mr. Hitt's resolution authorizing the President to offer us Commercial Union, while the language held by the President himself has also been most encouraging. It has not to be supposed that the sixty millions would be so conscious of their need of the extended market as the five millions, though it is certain that, as in the case of the Commercial Union of England with Scotland, the larger country would gain in proportion as much as the smaller, while the rich mines of Canada and her natural resources generally offer a field of

peculiar promise to American capital and enterprise. The interest in the subject is naturally stronger in the parts of the Union adjacent to Canada than in those more remote; but it is now widespread and has found expression in the resolutions of many Boards of Trade in different parts of the Union. Nor do we hear as yet of any pronounced, still less of any organized, opposition, though there are in the United States, as in Canada, protected interests which are not identical with the common good, and from which it is possible that opposition may eventually come. At present the attention of public men is engrossed and the legislative action of Congress is almost suspended by the approach of the Presidential election. That over, Commercial Union, if we mistake not, will resume its march. Nor, to judge from present appearances, would it be wonderful if it took its place and even figured prominently among the issues of the Presidential contest and in the platforms of the parties. This, however, is matter of conjecture, and will be determined like other questions of the same kind largely by the exigencies of the party war.

Seven years it took the Anti-Corn Law League to carry the repeal of the Corn Laws, though, as an organization the League was extremely powerful and commanded almost unlimited funds, as well as the eloquence of Cobden and Bright. In less than a year the Commercial Union Club has seen the policy which it advocates adopted by one of the great political parties as the principal plank of the party platform, endorsed in Parliament by a vote which, though that of a minority in the House, is found to represent half the population of the Dominion, as well as by the leading statesmen of the several Provinces

in their inter-Provincial Conference, and accepted formally or informally by all the great interests of the country, saving that of the protected manufacturers. It has also the ablest journalism in the Dominion on its side. The Government which has placed itself or rather perhaps directed its followers to place themselves in opposition to Commercial Union, is strong in connection, in patronage, and in its control of the political parties. It is strong, unfortunately, also in the widespread amenability to equivocal influences which the long continuance of a false system has engendered, in the exodus which carries off many of the most independent spirits, and even in the growing debt which increases the difficulty of dispensing with revenue derived from customs. But, as this session has proved, it turns smoothly on its pivot, and its party when the word is given revolves with equal ease.

Our people are to an extraordinary degree enslaved to party, the spirit of which is usually intense in inverse proportion to the reasonableness of the party division. But the recent bye-elections seem to show that there are some of them at all events who reflect, and who will not for ever sacrifice to a senseless Shibboleth their own bread and that of their children. This is not an issue got up by the wirepullers for an election, which when the campaign is over and the declamation has sunk into silence, may pass out of mind. Nature fights constantly and manifestly on the side of Commercial Union. There is surely every cause for looking forward with confidence to the verdict of the people at the general election, when it will be possible to bring a great issue before them more satisfactorily than at bye-elections, which turn usually either on mere party or on local questions, and in which

the influence of the holders of the public purse who disburse local expenditure is always strong. If the question of Commercial Union by itself and clear of the various political issues to which it has no relation, but with which in elections it is inevitably mixed up, could at once be submitted to the Canadian people, there need be no serious doubt as to the result.

On some grounds it might have been desired that the question should not so soon have been taken up by party, though taken up by party it was sure in the end, like every other question under our system of government, to be. It would have been better perhaps had more time been allowed for the matter to be thoroughly discussed, and for conviction to ripen on the purely economical issue in an independent way. The Commercial Union Club in fact did its best to keep party at bay and preserve the national character of the debate. But the Conservative leaders soon assumed an attitude, rendered necessary perhaps, as they thought, by their connection with the protected manufacturers, though certainly not required by anything in the general principles of Conservatism, two great chiefs of which in England, Pitt and Peel, having been the emancipators of trade, while its main object, the avoidance of revolution, can be effectually compassed in free communities only by making the people content with their lot. The usefulness of the club as an organization independent of party and devoted to the promotion of the single object for which it was formed, has, however, by no means ceased. Without obtrusive activity it will remain united and continue to act, it will watch the

progress of the movement, and when opportunity offers, lend seasonable aid ; it will hold meetings at which the commercial and industrial welfare of the whole people, irrespective of party, will be the paramount object; and it will circulate literature written in the same interest. For these purposes it still solicits, and not less earnestly than before, the support and co-operation of all the friends of its cause.

GOLDWIN SMITH.

TORONTO, MAY 22, 1888.

RECIPROCITY WITH THE UNITED STATES.

SPEECH BY THE HON. SIR RICHARD CARTWRIGHT, K.C.M.G.

Delivered in the House of Commons, Ottawa, 14th March, 1888.

Sir RICHARD CARTWRIGHT moved :

That it is highly desirable that the largest possible freedom of commercial intercourse should obtain between the Dominion of Canada and the United States, and that it is expedient that all articles manufactured in, or the natural products of, either of the said countries should be admitted free of duty into the ports of the other (articles subject to duties of excise or of internal revenue alone excepted).

That it is further expedient that the Government of the Dominion should take steps at an early date to ascertain on what terms and conditions arrangements can be effected with the United States for the purpose of securing full and unrestricted reciprocity of trade therewith.

He said : I am not greatly given to indulging in conventional formalities, but it is not in the spirit of conventionality that I rise on this occasion to address this House, under a sense of grave and weighty responsibility. It is true that I am fortified and encouraged in bringing forward this motion by the knowledge that in so doing I only voice the opinions of the representatives of the Liberal party in this Parliament; and furthermore that I have every reason a man can have for believing that when I give utterance to their opinions, I also give utterance to the opinions of the vast majority of those who support us and of a very important section, to say the least of it, of those who, on other questions, have differed from us very widely. Were I called upon at present to produce evidence of that, I think it might be found in the fact that within a very few months, but not until after this question had been considerably agitated throughout the Dominion, we found the leading statesmen of the several Provincial Governments, who met at Quebec—all, I think, the more important Governments in Canada—uniting without exception in approving substantially of the proposition which I now submit to this House. Never-

theless I cannot conceal from myself that this motion is one which is liable to raise issues of very great moment, not only to the people of Canada, but it may well be to other peoples also. There is no doubt that this motion is one which proposes, in some considerable degree, a new departure; there is no doubt whatever that if this proposition were assented to by the two countries chiefly concerned, very important changes would, beyond all question, take place in the mode of administering our public and commercial affairs, and therefore it is equally clear that this is a question which requires the most mature consideration and the utmost discussion at our hands. This a case in which nature is too strong for us; and although it is my intention on the present occasion to abstain from a great many things which might theoretically strengthen my argument, but which would undoubtedly open a way to irrelevant discussion, still I think I may be pardoned in taking this opportunity to say that we will all do well to remember that we are now discussing a problem which affects the present interests of Canada to-day. We are not called upon to consider how or in what way we might have dealt with this proposal, had it been submitted to us under totally different conditions, twenty or even ten years ago. The question is, what is best for the people of Canada in the year 1888, and not what may have been thought best for them in 1867 or in 1877. As for the charge of inconsistency, which has been levelled at some of us for supposed previous utterances on this question, I am in no wise concerned to waste time in justifying myself. Were I so disposed, it would be easy for me to show that I, at any rate, have been perfectly consistent to the root idea which underlies this whole proposition. But I do not intend to waste time over that. I may say this, however, that every man who studies the subject, knows that I am speaking simply the truth when I say that within the last twenty years or the last ten years, there have been very great economic and even social changes in the position of Canada, and that therefore it might very well be the case that propositions deserve discussion to-day which we would not have thought it prudent to discuss some ten or twenty years ago.

Now, I propose to-day, to confine myself chiefly to bringing the attention of this House and, so far as I can, the people of Canada to certain patent and salient facts, which, I think, no-

body who studies the matter is able to deny, and also to pointing out what appear to me the inevitable consequences which will result from those facts. I may differ from hon. gentlemen opposite on that point, but it appears to me it is idle to shut our eyes to these plain facts, and equally idle for us to say that our present position is in all respects satisfactory. I will take two facts alone which appear to me, and I think will appear to this House, to be of very great importance in this connection ; and of which I have here as absolute evidence as it is possible for any man to have. I will take the movement of the population in this country in the last quarter of a century, beginning in the year 1861 and going down to the year 1886, which is the last moment for which I have absolutely accurate statistical information. What are these facts ? Sir, they are facts which I state with pain. But I say that we have here incontestable evidence that in these twenty-five years, one in every four of the native born population of Canada has been compelled to seek a home in a foreign country, and that of all the emigrants whom we have imported at great cost, three out of four have been compelled to follow in the track of that fraction of the native born population. Now I say, no man who properly appreciates what these facts involve can deny that if I make good my case, if I am able to show this House that there is a great deal of substantial and a great deal of presumptive evidence to support it, if I can show this House that I am rather under than above the mark in making those statements, no man who understands what those facts mean can doubt for one moment that I and those gentlemen who think with me are amply justified in saying this is a case which requires our most earnest and serious consideration. Now, I will take those two statements respectively, and, first of all, I address myself to the statement which I made and to which I think I heard some murmurs of dissent on the other side, that in the last five-and-twenty years Canada has lost one out of every four of her native born population. In the first place, I have here, if any hon. gentlemen desire that the authority be produced, the formal reports of the United States, which show that in the year 1860 there were 249,000 men of Canadian birth in the United States ; that in ten years they had grown to 490,000 souls, and that in 1880, there were 707,000 Canadians in the United States. Now, it must be

remembered that that by no means represents the total exodus of our people, because, when you come to deal with such large numbers as these, you must allow for the death rate which prevailed in the twenty years from 1860 to 1880. That death rate, after careful examination, I believe to have been about 74,000 in the first decade, and 120,000 in the second, in all equal to 194,000. It is clear, therefore, it is clear to demonstration, it is as clear as any fact can be, that between 1860 and 1880, for some cause or other, which it is not my present purpose to analyze, at least 600,000 Canadians found homes in the United States. Now, up to that point we go upon absolutely certain ground. We have the United States returns backed in the strongest possible fashion by our own Census returns, which I have under my hand. The question is, how many have we lost since then, how many have gone from this country to the United States in the interval between 1880 and 1886? Now, we have here pretty clear evidence of the movement of population at any rate in the great Province of Ontario. We know what the increase in the Province of Ontario, according to natural laws, should have been; we know what the increase in Ontario is. We know from these hon. gentlemen's own returns what a mass of immigrants they alleged to have been poured into this country in those six years to which I have alluded; and we find in brief that, according to our municipal statistics, which are likely rather to err, as experience has shown, in increasing than in diminishing the average population, all Ontario in these six years has to show is an increase of 128,000 souls. We find a huge gap here. We find that in those six years, the natural growth alone of Ontario ought to have been 250,000 souls. We find that, even if you take my estimate that out of every four immigrants you pay for and bring to this country, you keep but one, there is the strongest ground for believing that at least 80,000 souls should have been added to the Province from that source alone, and after deducting the 120,000 Ontarians, whom the returns from Manitoba and the North-West show to have settled in that country, you still find 180,000 unaccounted for from that source alone. I need not appeal to this audience as to the fact that Ontario of necessity, putting out of question the North-West and Manitoba, always has and must absorb the vast bulk of our immigration. I think my hon. friends

from Prince Edward Island, my hon. friends from Nova Scotia, my hon. friends from New Brunswick, and my hon. friends from the Province of Quebec on both sides of this House will all admit that no very large proportion of immigrants have settled in those respective Provinces within the last six years ; and, if any of them doubt the statement or think I err in that, it is open to them now and here to correct me, and I challenge the correction. If we admit that, and I see no 'possible ground on which those positions can be disputed, you have this result, that, allowing a moderate proportion for the emigration that we know is going on of native born Canadians from the other Provinces, at least 900,000 of our population are to-day inhabitants of the United States, and in all probability rather over than under 1,000,000. So I submit that the first statement that I have made is up to the year 1880 absolutely true, and, as regards the period of six years which has since elapsed, is as nearly absolutely proved as it is possible at present for any such statement to be. More than that, you have only to look, if you dispute the United States statistics, to our own statistics, to our own Census returns, to see, I regret to say, the strongest possible evidence of the substantial accuracy of my calculations. We find that in 1861 the population in those Provinces which now form the Dominion of Canada was as nearly as possible 3,250,000 souls. We find that in 1871, they had grown to 3,690,000, and in 1881, to 4,324,000 souls ; while, if you like to take the four old Provinces, you find that they had in round numbers grown from 3,000,000 to 4,000,000 in a period of 20 years. Now, as our returns allege and profess to prove, we imported in those 20 years about 500,000 immigrants. I would like hon. gentlemen on both sides to compare for one moment the rate of progress manifested in those 20 years with the rate of progress manifested in the previous 20 years of our history. From 1841 to 1861, the old Province of Canada grew from 1,129,000 souls to 2,500,000. Thus the House will see that during the first 20 years, the growth of old Canada was at the rate of 115 per cent., while in these later 20 years it has shrunk to 30 per cent.

Now I proceed to discuss the other position, I proceed to discuss not our success in what I deem a vastly more important matter, not our success in keeping our own people in our own

territory, but our success in keeping the foreign immigration which, at vast cost, we have brought into this country. I made the statement a few minutes ago, that of the foreign population which we have brought in, three out of four have left this country and sought homes in the United States. I now proceed to give you the evidence, as I believe the incontrovertable evidence, of the substantial accuracy of that statement, the absolute accuracy for the first period of twenty years and the substantial accuracy for the last period of five or six years. I find that the foreign population in Canada in 1861 amounted to 665,000 souls, and that in 1881 that foreign population had shrunk to 570,000 souls. In other words, we lost 95,000 souls in those twenty years ; altogether we had brought into the country during that interval 521,000 immigrants, according to the returns which have been laid on our table by the hon. the Minister of Agriculture. Now, I will allow, as I did in the case of the emigrants to the United States from Canada, for a very large death rate. I will deduct 220,000 from the original foreign born population in Canada in 1861, and it is as clear as anything can be that deducting 15,000 for settlers in British Columbia and Manitoba, of the 505,000 who remain, who came to this country in that interval, the utmost numbers who can by any possibility have remained in Canada are 125,000, so that 380,000 had made Canada a mere place of transit at our expense. So there again you will find that up to 1881 the case is absolutely proven that three out of four of all the multitude of immigrants that we brought to this country, we were unable to retain. How has it been in the interval between 1881 and 1886 ? Well, Sir, I find that in that interval 477,168 immigrants are alleged to have come to Canada as settlers. I turn to the Census returns of north-western Manitoba, and I find that the utmost numbers who can be accounted for there, amount to 25,000 ; so that there remain 452,000 to be accounted for still. I have just pointed out to this House that the great Province of Ontario, which has always absorbed the vast bulk of all the foreign immigrants, not merely does not show that it has absorbed 452,000 immigrants, but it shows that its total increase is barely one-half its natural increase. Again, I ask my hon. friends in the Maritime Provinces, again I ask my hon. friends in Quebec, do they suppose that any considerable proportion of this 452,000 can have strayed into Prince Edward Island, or New Brunswick, or

Nova Scotia, or Quebec, without their knowledge? Is it not a patent fact that the vast bulk of these, if they are to be found at all, must be found in the Province of Ontario? and is it not a patent fact that if the increase of Ontario be no larger than I have stated, the vast bulk of these immigrants must, as I have said, have sought homes in the United States. There is, sir, but one alternative to that—let hon. gentlemen take which one they choose. It is, of course, theoretically possible, though practically impossible, that these immigrants may have stayed in Ontario, and have displaced an immensely larger number of the native population than I have supposed possible. But I do not think that argument is likely to be advanced in this discussion by any resident of Ontario. Now, sir, I could bring forward numerous details all tending in a very high degree to corroborate these statements. I confine myself, for the present, to these two: I point out, sir, that we, who are accused of misrepresenting the number of the people who have left this country, on the contrary, as the *Hansard* record will show, gravely under-estimated the loss of population in Manitoba and the North-West. At the worst, when we were accused of making most pessimistic statements, we never imagined for one moment that the population of the North-West and the population of Manitoba would have sunk to anything like the low ebb which these returns, lately laid on the table, in 1885 and 1886, prove to have been the case. I will call the attention of the House to another significant fact. Time and again, knowing, as I well know, that the chiefs of the Roman Catholic clergy in the Province of Quebec were admirably well informed as to the movement of the Catholic population of that Province, time and again I have challenged hon. gentlemen opposite, if they ventured to dispute my statement on that point, to obtain from those gentlemen a statement of what the real facts of the case were in regard to that population. Time and again, that challenge was refused, and I say, therefore, that we have every ground that men can have for believing that in the statement I have made, I am stating but the simple and literal truth. Now, Sir, as regards the bulk of these facts and figures, you may just as well contradict the multiplication table as contradict them. They are there, with the sign-manual of the hon. gentlemen opposite attached to them, and if they be inaccurate, on their heads, and not on mine, the blame must rest. Now, what has

been done in this matter, up to the present moment, may be thus defined. First, I am sorry to say, they have attempted to break the force of these arguments by desperate misrepresentations, of which I will give this House a proof, drawn from their own official reports. Sir, I have beside me the returns of the Department of Agriculture, and I call the attention of the House to them. Those returns state that in 1881, 22,001 settled in Manitoba and the North-West. They are particular, you will observe, up to the very last unit. In 1882, there were 58,751; in 1883, 42,722; in 1884, 24,440; in 1885, for reasons which I will not distress hon. gentlemen by referring to, 7,240. Now, Sir, that was the measure of success of the immigration policy of the Government, of their liberal land and railway policy; they only succeeded in inducing, so they state, 155,154 persons to settle in Manitoba between 1881 and 1886. But, Sir, when we come to count noses by actual census, I am very sorry to say the 155,154 settlers, duly certified to us by the Department of Agriculture, had shrunk into 43,000; 16,000 in the North-West, and 27,000 in Manitoba. There, Sir, are their own returns, there are their own facts, there, out of their own mouths, are the proofs that we under-estimated very gravely the extraordinary loss which their misgovernment has brought about in that country. I might add that with respect to the 16,000 souls from Ontario and from foreign countries, whom alone they were able to settle in those magnificent provinces in the North-West, there is clear evidence that at least one-third are supported by Government, are pensioners or employees of the Government, and are paid out of the taxes of the people of this country, and are in no proper sense or shape settlers at all. Then, Sir, beaten on that ground, they dare to tell us that this is of no consequence, that it is of no consequence to the people of Canada *that they have lost, in twenty-five years, well nigh two millions of British subjects, one million of native born Canadians, and three-fourths of a million of British subjects, whom they had induced to come to this country with the intention of settling here.*

Now, I have no right to put a money value on my own countrymen, or upon the immigrants whom we bring to this country; but I will point to this merely, that if you are to accept the customary standard laid down in the United States, if you can venture to hold that every able-bodied man who

comes to North America is worth, when he lands on the dock, \$1,000 to the State, then, Sir, whatever may be the cause, the result of all this is, that in losing these 2,000,000 of people we have lost 500,000 of able-bodied men, or thereabouts, and we have lost an equivalent, according to that calculation, to \$500,000,000. Certainly had they been here, it is clear that both our debt and our taxes would have been substantially reduced, because we would have had so many more valuable settlers to share the burthen with us. But there is another argument brought forward by men who ought to know better. They tell us that we need take no concern for this, because substantially the same thing is going on in the great State of New York alongside of us. Sir, I demur to that argument. In the first place I point out that when an American citizen leaves the State of New York for any reason, he does not leave the United States; he transfers himself from one part of his own country to another. Does the hon. gentleman suppose we are so ignorant as some of those hon. gentlemen appear to be of the history of North America? Do we not know that nearly 250 years ago New York State was settled, that in the days of William and Mary New York was a prosperous and important colony? Sir, the comparison is preposterous. We, when we lose anybody, and we know this to our cost, we lose them, not to go to another part of the Dominion, but to transfer their allegiance to another country. Now, I take issue most strongly with those hon. gentlemen, that is to say, with those of them who, admitting my facts, venture to contend that this is a matter of no consequence. I say that even if we had under our control no territory beyond the four original Provinces of old Canada, this would be a serious calamity to us, because the four Provinces of old Canada, well administered, are abundantly capable of supporting a population two or three times as great as that they now contain. But when we remember that we have well nigh half a continent at our disposal, that the First Minister himself has risen in his place to tell us that we have 400,000 square miles yet unoccupied of the most fertile territory that the sun ever shone on, what shall I say of the folly of supposing that it is anything but a great misfortune, a great calamity, a great injury to the people of the country that so huge a portion not only of those who come to settle in Canada, but of those who belong to us, of those who

are our own flesh and blood, our own kinsmen, have been obliged for lack of opportunity to leave Canada and seek a home elsewhere? *I say that this is proof positive that we are in a state of retrogression.* I say that as regards the four old Provinces of Canada our population is either in a stationary condition, relatively speaking, or, at all events, falls vastly short of increasing according to the laws of natural growth. And I say—although I am not going to enlarge on that subject at this present moment—that I have around me, I see on both sides of the House, if only hon. gentlemen will have the courage of their convictions and speak out what they know, many men intimately acquainted with the state of the agricultural population who could and who, before this debate closes, I hope will bear their testimony to the fact, that all over the four Provinces there has been a very large and formidable reduction in the actual selling value of farm lands, and a still more formidable reduction in the price which farmers can obtain for the products they raise.

Apply another test. If you choose to turn to the report of Trade and Navigation, which the Minister of Customs with commendable promptitude has laid on the Table, there you will find evidence which ought to convince this House that within the last 14 or 15 years, although there has been a considerable increase of population—but far inferior to that we ought to have had—there has been, and it is a noteworthy fact, a very large reduction in the total volume of trade. Here is the hon. gentleman's own blue book laid within these last few days on the Table of the House, and from that I see that in 1873, 15 years ago, the total volume of trade was \$217,500,000, with a population of 3,750,000, that to-day with a population which hon. gentlemen opposite estimate, though incorrectly, at 4,800,000, our total volume of trade and exports is \$202,000,000, being \$15,000,000 less than it was 15 years ago, although we have 1,000,000 of people or thereabouts more. Sir, apply another test. I find in 1873 the average per head of exports and imports amounted to \$58 odd; according to the hon. gentleman's own statement the average per head of exports and imports to-day is \$41.50; in other words, the total volume of trade measured per head, the proper way of measuring, has declined nearly 50 per cent. I will allow for the reduced values of certain articles, but no man can contend that there

is not proof of very serious retrogression in one of those indexes which, far more than many of those which have been alluded to here, go to mark the progress of a nation's prosperity. But it would be unjust to hon. gentlemen opposite to suppose they have been idle all this time. They could not keep our people here, they could not keep the emigrants they brought here, they could not raise the value of farm lands, nor the prices of farmers' products; but what they could do they did. In these twenty years they have trebled our debt, in these twenty years they have trebled our taxes, and when the Budget comes to be brought down I think the House will find that the liabilities of the people of this country are very far indeed from being fully discharged or measured even by our present enormous debt. Sir, again I say for the moment I suspend my remarks on their failure to create an important inter-provincial trade. That is a question which requires a little more discussion than it suits me to give it at the moment; and again I ask my friends from the Maritime Provinces, when the time comes, to contribute for the information of the House their views as to the success which has attended our efforts to create a trade in that direction. Nor will I dwell just now further on the lamentable failure, after the expenditure of over \$100,000,000 of public money, to produce or obtain any adequate settlement of the North-West. But I will say a word or two as to the utter failure to obtain any adequate return from our great public works. Sir, the Public Accounts are here, and those Public Accounts show that the people of Canada have expended well nigh \$200,000,000 in the construction of railways and canals and divers other improvements. Time was when we hoped those would give us something like an adequate return directly or indirectly, but the time has now arrived when we find these expectations very bitterly disappointed. How now stands the case? I take the Public Accounts for 1887, and I find, all told, a charge of \$3,970,000 for the expenses of operating those public works, and that is the nominal charge. The real charge, if our accounts were kept as any other country on earth would keep them, would be nearer \$4,500,000, or, at all events, \$4,250,000 than \$3,970,000. Well, Sir, what do we get as a return? We get a total income of \$3,270,000. Not only do we not receive one farthing of interest on the outlay of \$200,000,000, but there is a dead annual loss of \$700,000 a year,

not to speak of the various important items which under our most vicious system of book-keeping are charged to capital account. Sir, again I pass to the question of our failure to keep immigrants, and again I pass for the moment from the question of why it is that we in Canada with 400,000 square miles of the most fertile territory, cannot even keep our own people in our own country. But I have the right, the House and country has the right, to ask, Why is this? Is it because of the severity of our climate? I think not. The climate of Canada is in part rigorous, but it is eminently healthy and calculated to develop a vigorous and thrifty off-spring. Is it the fault of our soil? Why, has not this House echoed and re-echoed with declarations of hon. gentlemen opposite that no country on earth possesses a region of such unexcelled fertility as we do possess. Sir, I ask, is it the fault of the people? Well, in part it is the fault of our people for being too credulous and too trusting to the promises of the hon. gentlemen opposite. Anybody who knows how our people conduct themselves when they leave our shores; any one who knows what distinguished positions the immense percentage of that million of Canadians, whose absence I deplore, have obtained in the neighbouring Republic; who knows that they have shown themselves able to fight, and compete with, ay and even to beat, our American friends with their own weapons, anybody who knows that will say that it is hardly the fault of the people of Canada if those things are so. But I think we may ask, if it is not the fault of the climate, if it is not the fault of the soil, and if it is not the fault of the people, whose fault then can it be? What am I to say of the threatened collapse of our Federal Constitution which has become so patent and so manifest in these later days? Have we not seen almost every year and every day the fundamental principles upon which federation depends torn into fragments and afterwards pinned together with bribes, as in the case of Nova Scotia? Do we not know and does not the hon. the First Minister know, if he thinks for a moment, and I trust that he may, and take a second and a wiser thought, that he runs the most imminent risk if he persists in the tyrannical course heretofore pursued by him towards the young and rising Province of Manitoba, that he will have to take the responsibility of that tyranny, and that he will have the choice offered to him, to recede from the

tyranny or see the Manitobans assert their just rights at any cost. Sir, to a very great extent, as the enormous increase of our debt shows, we have all this time been living on our credit, and a most mischievous policy it is. We may get temporary advantage from it, we may get temporary assistance, but every man knows, and more than that, all men who have studied the early history of the United States know, that a young country in our position cannot pursue a more fatal course than to allow its debt to be increased with such unexampled rapidity as ours has been increased during the period to which I have alluded.

Now what shall we say of the condition of that great interest upon which all other interests in this country depend? Who is there who does not know that there has been, within the last few years, an immense fall in the profits of our farmers, and at the same time a very great increase in the burdens laid upon them? Who does not know, who has studied the history of the world, that at the self-same moment that you are heaping burdens and burdens upon our farmers, at that self-same moment they are being exposed to a totally unexpected and most intense competition in the market which they have hitherto controlled? Who does not know, Sir, that if this kind of thing goes on our population, at least our farming population, may perhaps exist, but it certainly cannot be said to live, at any rate in anything like the comfort it has hitherto enjoyed. More than that, I say distinctly, that I do not believe, unless we put a speedy check to it, that this system can last very long. In twenty years we have trebled our debt, we have trebled our taxes, and we have added 30 per cent. to our population. Suppose we go on for another twenty years, or even for another ten years—and I can tell the House that there are very serious signs that unless such a check as I spoke of is put we will go on in the same headlong, reckless course—why, Sir, in twenty years at the same rate of increase of population, and the same rate of increase of debt and taxation, we will find ourselves with a population of six millions and an annual taxation of ninety-millions of dollars. If we pursue such a course in the future we will have done nothing more than we have succeeded in doing in the twenty years between 1867 and 1887. Unhappily, all history shows that those evil precedents do not of necessity prepare the way for better. Even were the Government honestly disposed to amend their ways it is scarcely possible for them under or-

dinary circumstances to put a stop to the practice of immense, insane expense. More than that, they will do well to remember that if I am correct in the statement I have made (and I challenge the strictest scrutiny), if I am correct in saying that a million or thereabouts of the native born population of Canada have sought homes elsewhere, they must remember that the tendency of that is altogether to increase. Who are the men who leave us? Everyone who pays attention to the character of that emigration knows that I am stating the simple literal fact when I say that in a most unusual proportion they are the very pick and flower and choicest portion of our population. Everybody knows, Sir, that the men who leave us are just the men whom wise statesmen would desire to retain in Canada. Now were our position such as that which formerly used to obtain between Scotland and England I could not complain so much, because if the same rule applied between ourselves and the United States as between Scotland and England we would still have the satisfaction of knowing that when our friends left us they went to swell the strength of the Empire, or the Dominion, as the case might be, in some other part of it. But, unfortunately, here the case is precisely the reverse. They are a double loss to us, because they go to swell the strength of our nearest neighbor, rival and competitor. Now, Sir, a matter of consideration which perhaps is more important than all, is, what possible available remedies are there for such a state of things? So far as I can see these remedies are four. In the first place I think that a very great improvement might be made by reforming our present most oppressive and unjust system of taxation. I say that an immense improvement might be made by so revising our Constitution in the manner which we have pressed from this side of the House time and again, and in the manner which we have seen our friends—not our friends but the friends of the Government—in conference assembled have lately likewise proposed; and by so altering the Constitution that this tyrannical conduct on the part of the Federal authorities towards the rights and privileges of the Local Legislatures should be put an end to forever. On the other hand that which is equally important is that this system of bribes, and all those frequent and incessant forays by various Provincial Governments on the Dominion Treasury whenever they have been extravagant and got into a scrape, may likewise be put a stop to;

and for a third remedy, Sir, that this most mischievous railway monopoly which has barred our progress up to the present time, and which has barred the settlement and prosperity of Manitoba and the North-West should likewise be put an end to.

But most of all and most important of all, do I believe would be the success in the obtaining of the proposition which I ask the Government to try and obtain in the Resolution now in your hands, the obtaining of perfect free trade with the people of the United States. I say, Sir, that that is worth all the rest. Give us that and railway monopolies will cease to vex and harrass you ; give us that, Sir, and the federal relations will speedily adjust themselves as federal relations ought to do and as federal relations were intended to do ; give us that, and the sting would be taken out of those tariff combines, more particularly if the United States, as there is now a good hope that it will do, proceeds to emancipate itself from the trade fetters it most foolishly put on. It may be said that this is an heroic remedy. Well, all I can say is that if it be, never in the history of this country, at any rate, was a heroic remedy more needed. Now, I am not disposed to discuss this proposition further without being prepared to say that it is in the highest degree advantageous to both countries. I am very sorry for many reasons that the hon. Minister of Finance is not in his place to-day ; but I dare say the House will remember how in a fine glow of patriotic enthusiasm that hon. gentleman about a year ago went the length of declaring that, if we only knew it, we in Canada possess the best half of this continent. Well, I will not venture to go quite that length, but I will say that we are able, man for man, dollar for dollar, to give a full and perfect equivalent to the United States for all we ask them to give us. I desire that it should be so. I do not believe this proposition or any other for mutual trade, can be successfully carried out unless we are able to give as much as we get ; and, while I say that, while such trade would undoubtedly, in my judgment, enrich four or five million Canadians, quite as much enrichment would accrue to four or five million, or it may be to eight or ten million Americans. Sir, the advantages to Canada are very obvious, but I will come to those presently. In the meantime, I take this opportunity to point out that free trade with Canada would give to the United States an extremely valuable market at their very doors—that free trade with

Canada would open up to American enterprise vast new areas, equal to at least a dozen new States ; and, Sir, in such a case as I suppose, I have no doubt whatever that the growth of Canada would be so rapid that we should become within an extremely short time, in all probability, the most valuable customer the United States possessed.

A MEMBER—Hewers of wood and drawers of water for the Americans.

SIR RICHARD CARTWRIGHT. Hewers of wood and drawers of water ! Sir, I have a better opinion, and I may say the Americans have a better opinion, of the ability and capacity of our fellow-countrymen than to suppose that they would consent to be hewers of wood and drawers of water. Does not my hon. friend, whose heart is better than his head in these matters—does he not know of his own experience that the Canadians who unfortunately for us leave this country, do not subside into hewers of wood and drawers of water on the other side of the border ? Sir, as I have said, they take the highest places amongst the best citizens of the United States. Sir, we have, to say the least of it, enormous stores of raw material of great value to the industries of the United States, and these are very thoroughly appreciated, let me tell the hon. gentleman opposite, by American economists of very high degree. I have quoted the passage before—it may be said to be a hackneyed passage—but nevertheless I will take the liberty of quoting again in this connection the language in which one of the most eminent living authorities on political economy, in North America, at any rate, and perhaps in the world, has described the advantages which Canada has to offer, if it is allowed to obtain free trade with the United States. This is the passage, Sir, and I make no apology for repeating it to a Canadian audience :

North of Lakes Erie and Ontario, and of the River St. Lawrence, and east of Lake Huron, south of the 45th parallel of latitude, and included mainly in the present Dominion of Canada, there is as fair a country as exists on the American continent, nearly as large in area as New York, Pennsylvania and Ohio combined, and equal, if not superior as a whole, to those States in agricultural capability. It is the natural habitation on this continent of the combing-wool sheep. It is the land where grows the finest barley, which the brewing interest of the United States must have if ever it expects to rival Great Britain in its annual export of eleven millions sterling of malt products. It raises and grazes the finest cattle, with qualities specially desirable to make good the deterioration of stock

in other sections, and its climatic conditions, created by an almost encirclement of the great lakes, especially fit to grow men. Such a country is one of the greatest gifts of Providence to the human race; better than bonanzas of silver or rivers whose sands run gold.

Now, Sir, in all that you will find nothing of the vast virgin wheat fields of Manitoba; you will find nothing of the vast treasure troves which still exist scarcely scratched on the slope of the Rocky Mountains, west and north of our side of Lake Superior, and within the gorges of British Columbia. And, Sir, I would not duplicate, but I could produce twenty testimonies like this from Americans who know the value of Canada to the American people, in support of my contention that Canada most assuredly will be able to give a fair equivalent for all that, under my proposition, Canada is likely to ask the United States to give her. Does any hon. gentleman opposite choose to gainsay this proposition? Then, Sir, let hon. gentlemen consider what, with all the absurdity of two hostile tariffs stretching for two thousand miles between these two countries, we have done already in the way of mutual trade and intercourse. Of the \$202,000,000 which represents our total volume of trade, over \$80,000,000 (in spite of all foolish artificial legislation), or nearly one-half, and that the most profitable half, is with the United States. Sir, it is an interesting question, but it is a question on which I hardly dare to offer an opinion, if, with all these obstacles deliberately put in our way, such is the force of nature that it will overleap all these artificial obstacles and secure us a trade of over \$80,000,000, what might we not do if perfect unrestricted free trade were obtained? I will venture to say that it is well within the bounds of possibility that with unrestricted intercourse with the United States that \$80,000,000 might within a very few years swell to \$300,000,000.

It is, I believe, scarcely necessary for me to insist on the enormous advantage which unrestricted trade with the United States would be to us. Who does not know that for an immense number of the products of the people of this country, the United States is not merely the best market, but substantially the only market. Now, I do not blame the Government much in that they have tried, at all hazards, to force trade among the various Provinces of this Dominion. I have always myself regarded it as very uphill work, about as profitable indeed as an

attempt to make water run up hill, and the history of the Intercolonial Railway goes very far to show that I have been right in that contention. But I am going to give the House a curious practical test of the results which have attended the efforts made, I do not doubt, in all good faith, to promote inter-provincial trade among the several Provinces of the Dominion. Hon. gentlemen know very well that where there is much trade between different States or countries, you have one very good practical test where the climate and conditions of life are the same, and that test is the intermixture which takes place among the various peoples trading together. Now, I have here the Census return for 1881, and I have to call the attention of this House to a few very simple facts which these returns expose. I find that in 1881, there were of natives of Ontario, 105 settled in Prince Edward Island, 310 in New Brunswick, and 333 in Nova Scotia ; in all 748 natives of Ontario, settled in the Maritime Provinces. I find much the same state of things in Quebec, with the exception of two counties which border on certain counties in New Brunswick, where the population on both sides are essentially of the same origin. I find, and it may interest hon. gentlemen to know it, that at the same hour and day there were, of persons of United States birth, 609 in Prince Edward Island, 5,108 in New Brunswick, 3,004 in Nova Scotia, or, in rough terms, about thirteen times as many natives of the United States in the Maritime Provinces as there are natives of Ontario. Lest any hon. gentleman should say that the natural course of immigration is westward, I took the trouble to go back a few years, and I found that, twenty-five years ago, in 1861, when we were not confederated together, when we had no Intercolonial Railway, 7,600 natives of the Maritime Provinces had taken up their quarters in Ontario ; while in 1881, after fifteen years of Confederation, and knowing more about us, I suppose, only 7,200 were found there. The number had been positively reduced by several hundred. Take the Census returns. Turn to the Province of Lower Canada, and you will see eight or ten large, populous counties with a population of 150,000 or 200,000 souls, and not one representative of my hon. friends from the Maritime Provinces is to be found there. It is almost phenomenal, and what is a very curious fact, which appears in the Census returns, is that there was far more immigration in the decade from 1851 to 1861 than from 1861 to 1881, in spite

of the official connection. Is it not idle to deny such facts as these? Is it not idle to fight against evidence? Must we not admit that no matter how the Government may strive, no matter how the people may strive, you cannot establish any great inter-provincial trade from which any great profit can redound to the people of this country. What is the history of the Intercolonial Railway? It is contained here in our Public Accounts. We find that on the 30th of June, 1887, the Intercolonial Railway stood as an asset in the books of Canada for \$46,431,000; we find that the total expenses of the Intercolonial Railway for that year were \$2,828,000, and the total receipts \$2,596,000. Not only did the Intercolonial Railway not pay one copper of interest on its cost, but there is an admitted loss of \$231,000 in the running of that road for one single year. and a real loss, if we properly charge up the accounts, of \$400,000 or \$500,000; and in addition to that, every single year since I have had a seat in this House, a million dollars at least of extra expenditure has been charged to the capital account. Take the whole together, the interest and sinking fund, and they represent a dead annual loss of \$2,070,000, and the loss of running it must at least be \$400,000 or \$500,000, while we spend a million dollars on capital account every year besides, which we will continue to do for many years yet to come. Do hon. gentlemen venture to tell us there is any hope of improvement here? Does the House remember that a few weeks ago I put the question across the floor as to the result of the first seven months' running? And does the House remember that for this current year 1888, the Intercolonial Railway has cost us just \$340,000 in seven months more than we received from it? Just \$340,000 dead loss on seven months' running of the Intercolonial Railway, and I may add, as if that were not enough, that we have recently been called on to subsidize a so-called short line for the express purpose of cutting through and destroying the value of the same Intercolonial Railway which has cost us \$50,000,000, thus probably doubling the huge deficit that now exists.

I think, Sir, that every hon. gentleman will admit I have shown conclusively that, do what you will, trade will seek, in spite of all your legislation, for its natural market. Who does not know, who dares deny, that the trade of Halifax naturally seeks Boston, that the trade of Toronto naturally seeks New

York, that the trade of Winnipeg seeks St. Paul and the country south of it, and that the trade of Victoria naturally seeks San Francisco and the rest of the Pacific coast? There is an old saying, and I think a true saying in part, that trade follows the flag; but I tell this House that it is still more true that trade follows the people, and we have unhappily already sent out about two millions of missionaries to cultivate friendly trade relations with the United States. More than that, it is well to remember that great economic changes are in progress, that there has been a very material alteration in our position as regards the markets of the world. It is quite clear that, in older Canada, at any rate, grain production is on the wane, and that the only cereal which we can depend upon as likely to continue to be raised in large quantities is the article of barley, for which we have practically no market except the United States. That is also true in a very high degree of the more important of our other agricultural productions, with perhaps the solitary exception of the important article of cheese. Now, I contend that for almost everything which our farmers have to sell, the United States, if only we had free and unrestricted trade with them, would afford us absolutely the best market; and I contend further that, besides being the best market, it is literally the only market for a great many important articles which we produce. See, in spite of all artificial obstacles, how huge a percentage of the total volume of our trade is the volume of our trade with the United States. Out of a total volume of trade of \$202,000,000, the United States supply \$83,000,000. Out of \$81,000,000 of exports of our own produce, we sell to the United States, or sold last year, over \$36,000,000, or very nearly one-half. Out of a total of goods entered for consumption of \$105,000,000, we bought \$45,000,000 from the United States. And to come to details, which is necessary in order to lay the case fairly before the House, what do we find as to an enormous number of articles produced by agriculturists in this country? These figures are instructive in a very high degree. We find that, of 18,779 horses which we sold, the United States bought 18,225. We find that, of 443,000 sheep, the United States bought from us 363,000. We find that, of 116,000 cattle, in spite of all tariff restrictions, they bought from us 45,000 head. Of \$107,000 worth of poultry, the United States bought \$99,000 worth. Of about \$2,000,000 worth of eggs—\$1,825,000,

to be accurate—the United States bought all. Of \$593,000 worth of hides, the United States bought \$413,000 worth. Of 527,000 tons of coal, the United States bought 404,000. Of 140,000 tons of gypsum, the United States bought all. Of iron ore, the United States bought all. Of salt, all that we sold, the United States bought from us. Of stone and marble, all that we sold, the United States bought from us. In spite of fishery disputes, and taxes I suppose, of \$6,875,000 worth of fish that we sold, the United States was our best customer and bought \$2,717,000 worth. Of \$20,485,000 worth of lumber, the United States bought as nearly as possible one half, \$9,353,000. Of 1,416,000 pounds of wool, the United States bought 1,300,000 pounds. Of 9,456,000 bushels of barley, the United States again bought all. Of \$743,000 worth of hay, the United States bought \$670,000. Of \$439,000 worth of potatoes, the United States bought \$338,000. Of \$83,000 worth of general vegetables, they bought \$75,000 worth. Of \$254,000 worth of miscellaneous agricultural products, the United States bought \$249,000 worth, without speaking of innumerable smaller articles, such as apples, flax, and a great variety of other things; and, if the duties were once removed, no one who has ever been in Manitoba and the North-West but knows that the United States would become by all odds our best customer for a great deal of our high class wheat. Why, in the mere articles of manufactures, the United States, out of a total of \$3,079,000, bought \$1,289,000 worth, and of miscellaneous articles the United States bought \$569,000 worth out of a total of \$644,000.

There are two things to which I want to call the attention of all the members of this House. One is that, for very obvious reasons, our exports to the United States are largely undervalued. They do not at all fairly represent the amount we sell. So long as they maintain a high tariff, it is the obvious interest of every Canadian seller to underestimate the value of the articles he has to sell, and, as every one knows, the thing is habitually and constantly done. In another respect it is very important that the House should know that in the case of an enormous number of the articles to which I have called specific attention, there is room for well nigh unlimited expansion. Given free trade, given unrestricted intercourse, and that trade might assume nearly unlimited proportions in regard to a great many of those articles; and these are two facts which should

be borne in mind when we are considering the possible development of our American trade.

Now, not only have I shown that, even fettered and thwarted and hampered as it is, our trade with the United States forms an immense proportion of our total trade with all the world, but I ask the House to consider what sort of a market it is that these Resolutions of mine propose to open to the people of Canada. Why, look for one moment at the host of great and growing cities which stud our southern frontier alone—Chicago, Detroit, Cleveland, Buffalo, Boston and New York. Those cities alone which I have named, with their environs, contain a population of something like five millions of people who are the very best customers on the face of the earth. Consider how conveniently they are situated to our markets. There is hardly one of all those I have named which is more than twelve hours distant from a Canadian market. The Canadian seller might talk over a telephone with the American buyer in almost every one of those cities. Then look at our railway system. I speak more particularly of the railway system of the Provinces of Ontario and Quebec. Look at the huge sums we have expended upon it, and the small returns up to date which that large outlay has brought. The returns show that we have about 12,000 miles of railway all over the Dominion, a very large percentage of which is centred in Ontario and Quebec. These railways are alleged to have cost \$653,000,000, and, although I believe a considerable amount of that is water—as it is technically called—I believe our system of railway represents an outlay, or would be worth at any rate, about \$500,000,000. Now, to-day the gross earnings of those roads are put down at about \$33,000,000, the expense of operating them, at over \$24,000,000, and it is known that the amount returned as the expense of operating them does not include all that ought properly to be charged to that account. That \$653,000,000 of nominal cost therefore does not to-day on the average pay $1\frac{1}{2}$ per cent. on the nominal expenditure. Give us unrestricted intercourse with the United States, and I tell you that, as far at all events as the central Provinces are concerned, you will double the gross earnings and treble or quadruple the net profits of these railways, and from a very poor property convert these vast amounts, which have been largely supplied from abroad, into a very good, paying, profitable investment, to

the great advantage of the people of Canada as well as to that of the men who originally supplied the money. Then another point. Let us consider how our population is distributed. We all know the natural impediments which interfere with inter-provincial trade. We all know how conveniently the Maritime Provinces, Manitoba and British Columbia are situated for trade with the United States ; and how exceedingly inconveniently they are placed for trade with the central Provinces. I apprehend that no man on either side will dispute my position that to the Maritime Provinces at any rate, to Manitoba, to the North-West Territory, to British Columbia, free and unrestricted trade with the United States is of the most enormous importance. But, Mr. Speaker, I am coming to the country I know best—old Canada, from Quebec to Sarnia—how is the population distributed there ? Why, Sir, it is known to every man here that nineteen-twentieths of the population of these two great Provinces is so situated that it is within five hours' rail, on the average, to the American frontier. Then consider the advantages of such a market. Remember that it is one of the most rapidly growing markets in the world. Within the last twenty-five years the American market has grown from 30,000,000 to over 60,000,000 of consumers, and it has not stopped growing. In all human probability before the next census is taken in 1890, the statisticians of the United States compute that the population will have grown to something like 64,000,000 or 65,000,000. More than that, the population, especially the population of the great cities I have alluded to, is one of the very richest populations on the earth. There is no population in the world, keen bargainers though the Americans are, no doubt, with whom it is so desirable for the agriculturists of any country to establish free trade relations as it is with the population of the great American cities. It is perfectly well known to all who are familiar with that people, that there is no market, I repeat, on the face of the earth, where the man who has a first-rate article, particularly of food, to sell, is half so sure of obtaining a first-rate price for it, as in the United States. Nowhere have I known men who spend so lavishly on their own personal living and for their own personal comfort, as the great millionaires, and for that matter the great bulk of the population, of the great cities of the United States. And these, Sir, are reasons which make it more and more desirable

to us that we should obtain free and unrestricted intercourse with them, so that we can take advantage of the very great facilities which our natural position, in Ontario and Quebec more especially, gives for trading with those great centres. They are at our very door. We do not require to make long journeys in order to make the acquaintance of our American customers. As I said before, we can literally talk to them from the telephone. At the worst, a few hours' journey by rail will bring us face to face with them. We have no middlemen to fear in dealing with the United States. We can thoroughly understand the market, or it is our own fault if we do not. Every merchant, every man of business, knows what an enormous advantage it is in any trade that the men who sell should understand thoroughly what the purchaser wants to buy. But, Sir, I do not know that it would be necessary for our people to give themselves the slightest trouble. I remember, and I dare say there are plenty of gentlemen who remember, what habitually took place under the old Reciprocity Treaty, when Canada prospered more than she has ever done since. Why, Sir, when we had something approaching to free intercourse with the United States there was this curious peculiarity, that the buyer sought the seller and not the seller the buyer. It was a matter of everyday occurrence, particularly in the Province of Ontario, that our farmers, during the existence of the Reciprocity Treaty, were visited daily, and almost hourly, by American purchasers who were ready to buy the apple off the tree, the crop on the ground, even the unborn foal, if the farmer was willing to sell it. Again, I repeat that there is no market where a man who has got a good article to sell has anything like as good a chance of selling it as the people of Canada, and particularly of Ontario and Quebec, have in dealing with the American people. Sir, I have been taken to task on more than one occasion for venturing to say, what I now repeat, that in my poor judgment, one native born Canadian was worth more to this country than any half-dozen imported immigrants, and I say that without, in the slightest degree, desiring to reflect on the many good, worthy and industrious men who, in time past, have cast in their lot with us, my opinion always has been that as a tax-payer, and as contributing to the development of the country, one native born Canadian is worth a half-dozen of any other nationality. Sir, in the same way, one

United States customer is worth to us in Canada, half-dozen English customers, and half-dozen customers of any other nationality. And what is true of them to us, is true of us to them. I say that to the United States the trade of Canada is worth a great deal more than our present numbers would indicate ; I say that our trade is worth that of many times such populations as those with whom the Americans are now attempting to open up trade relations in Mexico, or in South America, or in any other of those countries which extend below them, more especially if we prosper largely. Now, it is a curious thing—I do not know whether it has attracted the attention of any members of this House—that after all we have talked, and after all we have said about the desirability of extending our trade with foreign countries, these same trade returns that I have here, show in a very remarkable way that we have practically only two customers, after all said and done—one of these customers being the people of England and her colonies, and the other being the people of the United States. I do not know whether hon. gentlemen have considered that fact, but if they will look at the returns for 1887 they will see that of our own produce, Canada, in all, exported \$80,960,000, of which she sent to the United States, \$35,250,000 ; to Great Britain, \$38,750,000 ; to the British Colonies, about \$3,000,000, and to all the rest of the world, \$3,800,000—\$77,000,000 to the United States, to Great Britain and her Colonies, and less than \$4,000,000 to all the rest of the world put together. In 1873, to show that this is no mere casual accident, I find that an identically similar state of things prevailed. Then our total exports amounted to \$76,500,000. The United States bought 36,755,000 ; Great Britain bought \$31,421,000 ; the British Colonies bought \$3,953,000 ; all others put together bought \$4,500,000. So when we trace the course of our commerce down for these fifteen years, we find that it is literally true, for practical purposes, that we have but two customers, as yet, of any importance in the world, one the United States and the other the people of Great Britain and her Colonies. And what is true of exports is true likewise of imports. Take 1887 ; we imported a total for consumption of \$105,639,000 worth. We bought from the United States, \$45,107,000 worth ; we bought from Great Britain, \$44,962,000. Of \$105,000,000 worth, \$90,000,000 were purchased from our two chief customers. In 1873

we purchased \$47,750,000 dollars worth from the United States, from Great Britain \$68,500,000 worth or \$115,000,000 out of \$127,000,000. That I contend is a matter of first-rate importance, for this reason: I have shown the House, that, say what we will, we have but two great customers, Great Britain and the United States. One admits our productions without the slightest let or hindrance: we and all the nations of the world in common with us have a perfectly free entrance to British markets; in the other case, partly of our own doings and partly by the action of the United States, the most formidable artificial restrictions are imposed on our commerce. But still the fact remains that we have but those two customers. Which of the two is likely to be more important to us? Well, there is an easy test. Twenty years ago the British population was about 30,000,000; to-day the British population is about 35,000,000. Twenty or twenty-five years ago the American population was 30,000,000; to-day the American population is 60,000,000 or 61,000,000. Judge, then, for yourselves which of these two countries, situated as they are, is likely to afford the greatest possible benefit to Canadian trade.

Now, Sir, it becomes my duty to consider, first of all, what classes of our population are likely to benefit by free and unrestricted trade with the United States; or possibly I should say, what classes of our population are not likely to be immensely benefited by free and unrestricted trade in that quarter. I will then have to consider the objections which have been urged from time to time in the Press and elsewhere against propositions more or less analogous to that which I have placed in your hands, Mr. Speaker, and then I may have a few general remarks to make on the position in which we find ourselves to-day. Sir, I think all the House will agree with me in saying that, whoever may or may not be benefited by these propositions, there can really be no ground for doubting that the whole great agricultural class from one end of the Dominion to the other will be enormous gainers if the markets of the United States are thrown open to them. I think, Sir, that no man will gainsay, least of all the gentlemen from the Maritime Provinces, that the fishermen of those Provinces will gain enormously from access to the United States markets. Surely no man will gainsay, and least of all my hon. friend beside me (Mr. Charlton), that the lumbermen of Canada and all the vast

interests connected with them will gain enormously from access to the United States markets. The miners will gain enormously, the whole vast number of persons and the whole interests representing, as I have pointed out, \$500,000,000 or \$600,000,000 of capital, largely connected with the railroad and transportation service generally of this country, will also all gain enormously by free trade with the United States. Not only that but all those great classes collectively representing the great producing classes of this Dominion and including the vast majority of manufacturers who have gained their living practically by ministering to and serving the producing classes I have named, must of necessity obtain great increase of prosperity if you increase the prosperity of the classes I have named. More than that, I believe that although a great deal has been said—foolishly I think—as to the risk the manufacturers of Canada will run in the event of our establishing unrestricted reciprocity with the United States, I believe that there is good grounds for saying that all manufacturers who deserve to flourish in Canada on account of pluck, and capital, and energy, will prosper likewise enormously if that great market be opened to them. It is due, I think, to the *Mail* newspaper to say that the energy and enterprise which that newspaper in common with others has displayed, in interviewing the great employers of labor throughout this country, has resulted at least in showing that those who ought to know best and stand highest in the opinion of the people as manufacturers are quite prepared, if you give them the United States market, to take their manufacturing existence in their hands and have no doubt of the successful result. Who do the classes I have named represent, together with the classes that are dependent upon them? They represent nineteen-twentieths of the whole people of this country; I might with truth say ninety-nine-hundredths of the people of this country, and they will, beyond all dispute, be greatly benefited if you can obtain free and unrestricted reciprocity with the United States. Now, another side of the question to be considered, is, who are the parties that are likely to lose if we establish free trade with the United States? I do not deny that when you introduce any great measure into this country that there will be considerable economic disturbance and that some industries may be injured which we would like to preserve. That fact I

do not deny. No great change ever has occurred or ever will occur without inconvenience in some way. No great change in machinery, for instance, can be introduced without rendering much existing machinery worthless, and without injuring a certain portion of the community, but I doubt if any great measure was ever proposed which was so little likely to injure those classes of the community whom the best minds in the community would desire to serve, as this present one. I can see that certain interests will be injured, no doubt. I can see, for instance, that those worthy gentlemen whose proceedings are now being investigated by the committee presided over by the hon. member for West York (Mr. Wallace), those gentlemen who are, as I may say, pushing the protective doctrine to its legitimate development and evolution—I can well conceive that the combines and trusts will have their troubles considerably increased, even if they escape the hon. gentleman's committee, by free and unrestricted trade with the United States. I can conceive, I honestly confess, that there are other industries, not very numerous but important, and some of them possibly dear to hon. members of this House, which may be injuriously affected if this policy should be carried into practical effect. There can be no doubt of one thing and that is that if this policy be carried into effect it will mean for a considerable time to come the enforcement of a much needed economy. I see, for instance, that devoted and most industrious band of public servants who act from time to time as missionaries on the Government's behalf in disputed elections may suffer. They may be dismounted and obliged to go a-foot, and it may be barefoot too. I say also that there is a danger, and I do not wish to gainsay it, that the electioneering cornucopia may run dry, and that if you adopt the system it will enforce, in your own despite, a rigorous economy. You will have to carry your bye elections, or not to carry them, as the case may be, without promises of piers, and harbours, and post offices, and railway grants. There is danger, and a serious danger, too, that the subscriptions of the manufacturers' association to certain peculiar funds will grow smaller by degrees and beautifully less, and even vanish altogether. It is possible, and it is a serious thing, that the monopolists may find that their occupation is gone, and the worship of the great goddess of monopoly brought to naught. It is possible that the trade profits and

emoluments of that valuable class of men, known as practical politicians, may be very greatly interfered with. All those things I see are possible if this measure be put in force, and if, as I stated, strict economy become, as it inevitably will in such a case become, the order of the day. Now, I do not deny—I never have denied—that, looking at the way in which the Government has been administered in this country for many a long day, those are grave and serious changes, almost of a revolutionary character, and I can well understand that the venerable leader and father of this House, like the Duke of Wellington on a similar occasion, may shake his reverend locks and murmur to himself that he does not see how the Queen's Government in Canada is going to be carried on any longer in his own peculiar fashion. Knowing as I do how excellently well affected this House has always shown itself towards vested interests, it may be—having regard to the fact that although those interests are few they are very important and very dear to many hon. and estimable members—that the House may say that it is better that the ninety-nine-hundredths should go on and toil and moil, and, as the reports of the Labor Commission which so lately sat in Montreal show, may starve, and suffer, and die, for the benefit of those righteous men who earn cent. per cent. dividends, and who supply the money to keep this best of all possible Governments in power. Those, Sir, are the chief industries whose existence is in risk, so far as I am enabled, in a hurried analysis, to judge. Those, Sir, are tolerably correct statements of the men, and of the classes, who profit, and who will lose, by unrestricted reciprocity and free trade with the United States.

The House will remember, I dare say, how I showed that there is ground for expecting an unprecedented and enormous increase of the whole volume of our trade, from one end of this country to the other, enriching all save the classes that I have excepted. And now comes the question, what is it that forbids the banns? What are the objections? What are the reasons which can fairly be urged by any hon. gentleman against this proposition? If I am correct or even approximately correct in my views as to the benefits which would result to the people of Canada from the adoption of this policy, what are the objections which can be urged for the purpose of keeping asunder two countries which—I say it in no spirit of

irreverence—God has joined for purposes of mutual benefit? Sir, I have heard some hon. gentlemen, or the organs of some hon. gentlemen, contend that, forsooth, however desirable this thing may be, the consequences of our own folly during the past ten or twenty years have been such that we cannot afford to have it; we will lose revenue—we have been bled so much that we cannot afford to be cured; for that is the argument. Sir, the case is bad, I grant; but the case is not so bad as that. Put briefly, their argument is this: they admit, or some of them admit, that this thing in itself, would be very desirable; but they tell us that we cannot afford to lose all the income which we derive from the Customs duties that we obtain from the American imports. Now, Sir, I do not suppose there is any man in Canada, certainly not one man on the floor of this House, who appreciates more thoroughly than I do, or who has declared from his place more emphatically than I, how very grievously the whole future of Canada has been injured and damaged and mortgaged by what I have repeatedly called the insane folly that has beset the people and the Government of Canada in heaping up debt and taxation at the moment when their great rival was reducing both. Sir, I am in the judgment of this House when I say that no man ever strove harder than did my hon. friend, Mr. Mackenzie, when he was Prime Minister of Canada, to put a check to that extravagance and folly, and his efforts were crowned with a good measure of success; and it is well to take this opportunity of reminding this House and the people of Canada that, if this be a desirable thing and if all that stands in our way is the financial difficulty, had Mr. Mackenzie's policy been maintained, and his Administration been continued in office, and had the people of Canada desired to make an alliance with the United States, there would have been no financial difficulty to grapple with. I say, and I speak with knowledge, that I could have done it had I been left in office. I say it would have been an easy task for an honest and intelligent Administration to have kept down the total expenditure of Canada to \$26,000,000 or \$27,000,000 at the utmost, and the total taxation of Canada to \$20,000,000 at the utmost, and withal to have placed half a million of the best settlers in the world in Manitoba, to their great profit and ours. Now, Sir, I wish to face this question squarely and fairly. I do not, for my part at all, pretend to tell this

House that if we obtain immediately free and unrestricted intercourse with the United States, there might not be some temporary inconvenience accruing to us in the matter of the revenue; but, Sir, I have this to point out: This proposition of mine does not involve the addition of one cent or one farthing to the burdens of the people, but much the contrary. We do not purpose, Sir, as some have proposed in discussing schemes for the future of Canada, to add many millions a year to our annual expenditure. We are not talking, Sir, at this present moment of raising \$37,000,000 in place of \$30,000,000. We are simply talking of raising \$30,000,000, by a small alteration in the mode of taxation and by a readjustment of taxation in general. I repeat, it is possible, though not by any manner of means inevitable or necessary, that you may have to alter your mode of collection. It is not necessary in the slightest degree that you should add one penny to the total aggregate burdens of the people, but the contrary. Sir, allow me to say that this dread, whether it be real or pretended, of a possible recourse for a part of our revenue to direct taxation, has always struck me as an exceedingly weak argument in a case like this. In the first place, Sir, *non constat* that you will require to have any direct taxation at all; let the House remember that. There is enormous room for judicious economy in our present administration of the revenue. I do not say hon. gentlemen opposite can economise; but, Sir, I think I could put my hand on members of this House who could show some economy. While we did economise, we got small thanks for it; but perhaps the people are wiser now. Nay, most assuredly the people are wiser now; and could we appeal to the people on a fair division of the constituencies, with honest returning officers and deputy returning officers, without the scale weighted against us with grants for piers, harbors and bridges and railway branches, and every form of political influence, then, Sir, I think hon. gentlemen opposite would find that the results—I speak for my own Province, at least—will be as correctly reflected in the Parliament at Ottawa as they are in the Parliament at Toronto. However, Sir, we will pass over a point on which I can hardly expect those hon. gentlemen to agree with me. I desire to point out that the fundamental fact, for fact it is, on which this whole argument is based, is this: Give us free and unrestricted intercourse with the United States, and by that act

you enormously increase the whole income of the vast majority of the people of Canada. You will enable them, and as I believe almost instantaneously, almost within a year and a day, to buy a great quantity of goods which they cannot now buy, a large proportion of which will be dutiable goods; and by consequence there is good and sound ground, if you admit my preliminary fact to be true, for saying that it is altogether likely that the remaining taxes will yield quite as much as those we now have in our artificially restricted system. But bear in mind that no increase of taxation whatever is contemplated; all that is required is a simple re-adjustment. It is possible—we will admit for argument's sake—that the hon. gentlemen are right, and that my contention is wrong that the people will grow enormously richer and yet will not consume more dutiable goods, though I know of no case in which that has occurred. We will suppose, for argument's sake, that we have to face this bugbear of direct taxation—direct taxation, be it remembered, not for all our revenue, but a trifling portion of it alone. What, let us see, will be the consequence?

Now, Sir, I have to call the attention of the House in that connection to certain important facts. First of all, no man who has paid any attention to this subject will, I think, dare to deny the fact, which I think is recognised by every political economist, that direct taxation properly levied takes a great deal less out of the pocket of the people than indirect taxation; most of all, indirect taxation, levied as our system of indirect taxation is levied now. Sir, I desire to say that, in my judgment, we ought not, I do not think this Government would dare, I do not think any other Government would wish, to add by direct taxation one farthing or one penny to the taxes that now press most heavily on the agricultural classes, on the fishermen, on the miners, on the lumbermen, on all the great producing classes in this community. I shall be prepared to prove in some detail, at the proper place and time, that among the many faults with which our system abounds, perhaps the greatest is this: that under it the hard-working, industrious, thrifty man is taxed enormously out of proportion to his earnings; and I say that with a system of direct taxation, if you must have recourse to it, although I doubt greatly whether you need, with proper economy, have recourse to it, that crying in justice must be redressed, and the respectable, well-to-do,

monied classes must be made to pay their fair proportion—no more should be asked—to the burdens of the country. This proportion they most assuredly do not contribute to day, and never will, under a system of purely indirect taxation. Further, we should bear in mind, as these hon. gentlemen are so intensely desirous of, copying English precedents, that it is the system of the mother country in a very high degree; and if that precedent be followed here two very good results will accrue. First of all, Sir, you will remove that crying injustice of which I spoke, and by which the poor man contributes out of all proportion to-day, out of his scanty means, to the support of our Government; and in the next place, you will produce this other admirable result, of giving all these respectable, well-to-do, monied men a keen practical interest in watching the public expenditure and checking extravagance. You will do more, if it must be done by that means—you will create a sound, wholesome, healthy public opinion, the want of which is so great an evil in Canada to-day. I dwell on that particularly, because I am aware that, at this very moment, there are certain gentlemen, presumably in the interest of the hon. gentlemen opposite, who are losing no opportunity to impress upon the farmers of this country in particular, that if we get unrestricted reciprocity with the United States, the Federal revenues will have to be raised by direct taxation, levied in the same way as the municipal taxes are to-day. I for one will protest to the uttermost of my power against any such injustice; I for one declare here, speaking on my responsibility in my place in Parliament, speaking with a knowledge of the subject, that our present system is monstrously unjust to the poor man and too favorable to the rich man, and that injustice ought to be redressed, not by adding to the burden of the farmer, the laborer, the artisan, the mechanic, the fisherman, the miner, the lumberman, but by removing the burdens from these and placing them upon the shoulders on which by right they ought to fall. It is almost too ridiculous. Here we are, here we have been, adding millions a year to the taxes of this country and without the slightest regard to the permanent welfare of the people; and we are told, forsooth, that although we may, without the least injury to the community, add many millions a year to our taxation, we must not alter the mode of collection one hair's breadth under penalty of producing the most terrible results.

There is another shaft in these gentlemen's quiver. Having proved to their own advantage, first of all, that Canada positively cannot afford to spend a dollar to gain a pound, having demonstrated that, according to the dictates of Canadian political economy, it is always more expensive to pay two cents cash for an article than four cents on credit—which is about the difference between direct and indirect taxation—these hon. gentlemen, the names of some of whom, to my certain knowledge were appended to a certain remarkable document, bearing date 1849, have been seized in their later days with an extraordinary paroxysm of loyalty; and to back their other startling propositions they lay down this impossible, and still more startling, proposition: If you make the Canadian people rich by free trade with the United States, if you make them more prosperous, happy and contented than they unfortunately are at present, there will be great danger to their loyalty. That is the position, in almost so many words. I would have thought that those hon. gentlemen who ten years ago overrode all the protestations of Mr. Mackenzie and myself, when we pointed out to them that what they were doing was to adopt a policy which was a mere servile imitation of the American policy, which was in direct contradiction to the settled policy of the Empire. I say that these men would have done well, recollecting what occurred at that time, to have spared us all these disquisitions on the loyalty of the Opposition. Do we not recollect when we showed there was danger in the policy they adopted, how we were told that, if the so-called and mis-called National Policy was bad for British connection, so much the worse for British connection. These men have not hesitated to carry out a policy which has been responsible in my judgment for driving two millions of Her Majesty's North American subjects into exile, and which had risked the loss of all British North America to the Empire. It is time that we should clear our minds of cant on this subject. I have, and I have as good right as any hon. gentleman to have, the interest of the Empire as much at heart as any man on that side of the House. I have considered, to the best of my opportunities and to the best of my ability, what policy in this crisis is the best in the real interests of the British Empire. I know that, in what I now say, I am but expressing the views of some of the ablest and highest of British statesmen, when I affirm that one great peril that threatens the

British Empire to-day is the state of most dangerous isolation into which she has come to find herself. What is her position to-day in the view of some of the ablest of her statesmen? It is that she has not a friend of a high-class power in the world. She is at enmity more or less with France by reason of her occupation of Egypt and her control of the Suez Canal; she cannot hope that Germany will raise her little finger in her behalf; she cannot expect any help from Austro-Hungary; and who does not know that the Indian taxpayer is groaning under the additional burdens imposed upon him for the purpose of checking an anticipated Russian attack on India? That is a dangerous position of isolation, and I say that there is but one first-class power in the world with whom England can make a firm and lasting alliance, and that is her and our kinsmen and friends on the other side of the border. I have always felt and I have not hesitated to express it to English statesmen as well as on the floor of this House, that the real problem which to-day awaits the decision of England is how, in the first place, by fair and honorable means—and no other should be used—to conciliate the good-will of the people of the United States, and to repair that most atrocious blunder which was committed a hundred years ago, and which led to most violent collision between the two great divisions of the English race.

In this project which we are now bringing forward, if you take a broad view of the whole situation, if you remember what Mr. Joseph Chamberlain has taken good care to din into our ears and into the ears of the Government opposite during his recent visit, if you remember that the interest of England in maintaining friendly relations with the United States is so vast and so great that it outweighs very many times the comparatively trifling profit which she can derive from our trade, then I think you will see there is good ground for the position which I take, and that is that, by entering into close commercial relations with the United States, by establishing a close and friendly intercourse with them, we will render to the Empire the greatest service that any colony or dependency ever rendered to the parent State. It has been made a grave ground, it has been attempted to be set up as an insuperable ground, of objection, that, when you propose to enter into a treaty for unrestricted trade with the United States, you must thereby, of necessity, discriminate against English manufactures and the

manufactures of all other countries except the United States. Now, that is true. I admit that. More than that, I will admit that, *prima facie*, what we propose to-day is a very unusual thing. I will admit—I am in nowise disposed to shrink from any argument which can be fairly advanced—I admit frankly that, when a semi-dependent State, when a colony proposes in one breath to tax the goods of the parent State and admit the goods of a foreign State free, while at the same time the parent State admits our goods and the goods of other countries free, and the foreign State taxes those goods very heavily, it is a very unusual thing indeed. I grant that it is clean against all formulas. I do not deny that. I admit that it appears to be reversing the action of 100 years ago when England lost half of this continent because she endeavored to tax their goods without giving them representation, and I admit that we are going a little far in taxing her goods and not the goods of the people of the United States. I grant that this needs explanation, and I am prepared to say that I can give a full explanation why in the interests of England itself this thing should be done. I think I have stated the case as strongly as hon. gentlemen can well desire. Now, let us first of all look at the material results which will flow to England should this discrimination take place, and here let me say what is obvious to everyone who has given the subject a second thought, that, in our peculiar geographical position towards the United States, it is perfectly apparent that we cannot hope to gain free intercourse and unrestricted reciprocity with them without discriminating against the goods of other countries, unless and until the United States are prepared to go in for free trade with all the world, in which case our proposition would not be necessary. The thing, I grant, is of the essence of the bargain. I am not in the least degree desirous of concealing that fact, but, so far as the material side is concerned, the practical results of assimilating our tariff in certain points to the American tariff as against England have been immensely and I suspect purposely exaggerated. In the first place, the House ought to remember that at this very day our tariff is pretty nearly as hostile to English manufactures as that of the United States, and that there is very strong ground, indeed, if things remain unchanged, for believing that in two or three years from this date our tariff will be much the more onerous of the

two. Then it is well to bear in mind that, the tariff to the contrary notwithstanding, England has always managed to carry on a large trade with the United States, and especially with the northern portion of it. If I had the time at my disposal, I could advance very good reasons for believing that, suppose we do discriminate and otherwise things remain exactly as they are, notwithstanding that the English would continue to drive a large trade with us they would have a trade relatively much larger with the people of the United States, and, therefore, the absolute loss to them would be small.

But I return again to the fundamental fact on which, as I said, this whole argument rests. There can be no doubt, I think, that if we succeed in getting unrestricted trade, we shall become much richer, and if we become much richer there is no doubt that we shall buy a much larger quantity of English goods than we do at the present, though perhaps not in the same line. I believe that the result of England giving us a free hand in this matter, would be simply to make some little alteration in the character but not in the quantity of the goods she sells us, and that practically she would lose nothing in a material point of view. More than that, I know something of English manufacturers. I may say, by-the-by, that this is a difficulty that it will be time enough to face when it arises. Our first business is to ascertain on what terms and conditions we can obtain unrestricted trade with the United States; when we know on what terms and conditions we can trade with them, then, perhaps some difficulty may arise, and that difficulty will have to be met. But I know something, as well as the hon. gentlemen, of English manufacturers, I know they are an eminently practical, hard-headed class of men. I know very well that English manufacturers, so long as their goods are excluded from North American markets, care precious little by whose name the ukase is signed which excludes them, whether it bears the name of Grover Cleveland, or Charles Tupper, or Mackenzie Bowell. Sir, you may depend upon it that English manufacturers, at any rate, are not to be caught with chaff. They understand that 80 per cent. duty on iron is 80 per cent. duty, whether it be imposed by an American Congress or a Canadian House of Commons, and they do not care very much who imposes it, so long as the duty is there. Sir, while I speak of these things as regards

the mere material aspect of the case, in relation to English manufacturers, there are other arguments which the people of Canada may very justly use toward English statesmen and the English people. I say that the past history of this country supplies all Canadians who care to study that history, with abundant arguments. Mr. Speaker, the position of Canada is exceptional, in many important respects unique, so far as regards England. I am not going to dwell much on the fact that we are more than a colony, that we are a Dominion, charged with the responsibility of managing the affairs of half a continent, and entitled to claim for ourselves greater privileges and greater powers than should be granted to any ordinary colony. I do not dwell on that, but I dwell a little on certain features in our past history which I contend give us a right to claim to be heard in this matter. Sir, England is the great colonizing nation of modern times. England has obtained colonies by exchange, by barter, by conquest, by direct purchase, by voluntary and involuntary settlement, but of all her hundred colonies, England has but one, and that is the Premier Province of this Dominion, which was originally taken possession of, and has since been held by men who did not occupy or settle through any of the ordinary motives that induce men to forsake their native homes but to give up their broad fields and pleasant lands for the purpose of maintaining their allegiance to the English flag. Now, Sir, this question is being argued, to some extent, on the sentimental side, and I am ready for my friends there. To tell you a profound secret, Mr. Speaker, which I trust will not go outside the walls of this House, I have never been able exactly to understand the very deep obligation under which the people of Canada lay to England. In point of fact I rather think that the obligation is the other way. I do not think, Sir, that although we have cherished, I hope we will continue to cherish, the most friendly feeling toward the parent state, I do not think for my part, that we are under any deep debt of gratitude to English statesmen, that we owe them much, unless, per chance, it may be the duty, as Christian men, to forgive them for the atrocious blunders which have marked every treaty, or transaction, or negotiation that they have ever had with the United States where the interests of Canada were concerned, from the days of Benjamin Franklin to this hour, not excepting their first or second treaty of Washington. I

say there is no man here who does not know that from the very first hour that the United Empire Loyalists took possession of Ontario and held it for the British Crown, down to this year 1888, there never has been a time except, perhaps, the short paroxysm of the American Civil War, when our people could not have greatly benefited their material interests by throwing in their lot with the people on the other side. We have not chosen to do so, we do not now want to do so, we desire to maintain our autonomy. On that point, I am quite at one with some hon. gentlemen on the other side. But I say at this moment, a remarkable opportunity has presented itself in which a little skilful statesmanship and common honesty would enable us, at one and the same time, to obtain great benefit for ourselves, and to render a most important service to the whole Empire by aiding to re-knit together those two great divisions of our race which were unfortunately sundered by the blunders and incompetence of English statesmen 100 years ago. Sir, if the hon. gentleman chooses, as I have said, to argue this matter on the ground of sentiment, all I can say is that a Canadian who understands and feels what his country's history means, will not find great difficulty in meeting him on any such grounds.

Moreover, Mr. Speaker, I think that in this matter, supposing that we dismiss all other considerations, and look on it as a pure matter of right, we have some right to follow the example of England herself. No man knows better than the hon. gentleman opposite that England has always adopted a very different rule and measure in dealing with the United States from that which she has adopted in dealing with any country under heaven. I dare say that English statesmen could bring forward good reasons for their departure from their ordinary customs in such cases. Now, I am not here to criticise her right to do what she has done, at any rate, I am not criticising the reasons for doing what she has done, but I say that England has not hesitated, as the English plenipotentiary the other day was good enough to tell us, to give up the admitted legal rights of Canada for the purpose of conciliating the good-will of the people of the United States. So be it. We may have to bow, probably we will have to bow. But by every parity of reasoning, we, under these circumstances, are justified in saying to England: We give up at your behest, for your benefit, and for the sake

of the Empire, our admitted legal rights, now you make us a little concession of your admitted legal rights in a matter in which we do not deny them, for your benefit and ours, and for the sake of conciliating the good-will of the American people. Sir, I said that was the lowest view. I believe that the great mass of Englishmen who have made investments in Canada, and notably in Canadian railways, would, like ourselves be entirely satisfied if we carried out this proposition, and I believe that if all English investors in Canada were polled after having the case properly explained to them, they would go with us in saying that it was in the interests of England, that it was in the highest and largest sense for the interests of the Empire, that we should be permitted, if we desire to make such a bargain as this with the people of the United States. Sir, there is a third argument, which requires perhaps a little more consideration. We are asked when we make, or when we suggest such a proposition to be made, not by the hon. gentleman opposite, who has maintained a most judicious reticence so far on this question, as I have noticed, but we are asked by some of his followers and myrmidons: What grounds have you for believing that, if you make this proposition, the people of the United States will agree? Well, Sir, what I have to say in answer to that is this: When two men are desirous of making a bargain, or when one man is desirous of making a bargain for mutual benefit with another party, the time has come to enquire and negotiate on what terms and conditions a mutually advantageous bargain can be made. I say, moreover, that this is, even in a pre-eminent degree, a matter for the two peoples of the United States and Canada. This is a thing which, if done at all, has got to be done in the broad light of day, not in dim diplomatic twilight. We know how the American Executive is constituted and how the American Congress is constituted. We know that this thing can only be done with the consent of Congress, and, practically, with the consent of the American people, and, therefore, it is that I have ventured to take, as I have said, the responsibility of bringing this matter forward on the floor of Parliament, because I know, and hon. gentlemen know, that it is not in their power to make an agreement behind backs with the American Executive which would be in any degree binding on the American people. More than that: I say the present moment is eminently in our favor for coming to the Americans

with some such proposition as this, and I have good and fair proof of what I state. In the first place, everybody knows that an enormous reduction in the American tariff is imminent. Things have come to such a pass there that the people will insist on a very great reduction and alteration in their tariff. In the next place, we have got a very direct and very important invitation, or at all events a very important expression of the good-will of the man who stands in the highest place to-day in the American Republic, and who I trust for their sake will continue to enjoy the confidence of his countrymen for a second term. Sir, I note that President Cleveland in the recommendation which he addressed to Congress respecting the Fisheries Treaty, after stating the advantages he thinks he has achieved, goes on to say :

Our social and commercial intercourse with those populations who have been placed upon our borders and made forever our neighbors is made apparent by a list of the United States' common carriers, marine and inland, connecting their lines with Canada, which was returned by the Secretary-Treasury to the Senate on 7th of February, in answer to a resolution of that body ; and this is instructive as to the great volume of mutually profitable interchange which has come into existence during the last half century.

And then the President goes on to use these important words, which coming from so high a source at such a time can be taken as nothing less than an invitation by the President of the United States to us to come forward and see on what terms we can negotiate for unrestricted reciprocity with them. Says President Cleveland :

This intercourse is still but partially developed, and if the amicable enterprises and wholesome rivalry between the two populations be not obstructed, the promise of the future is full of the fruits of an unbounded prosperity on both sides of the border.

Sir, will any gentlemen here or elsewhere dare to maintain that when President Cleveland in an official document of the highest importance uses such terms as these with respect to intercourse with Canada, we, forsooth, should be debarred by any sense of dignity from responding to an invitation like that ? I have another, not so formal, and yet more important perhaps. I find that as long as a year ago, at a time when there was a danger of hostile collision between the two countries, Mr. Secretary Bayard, a man, as the First Minister knows, of the highest rank next to the President of the United States, a man who is vir-

tually Premier of the President's Cabinet, a man whose name is honored and deservedly honored by friend and foe from one end of the United States to the other,—I say that Mr. Bayard, the virtual Premier of the United States, wrote a year ago to Sir Charles Tupper in these terms :

The immediate difficulty to be settled is found in the Treaty of 1818 between the United States and Great Britain, which has been *questio vexata* ever since it was concluded, and to-day is suffered to interfere with and seriously embarrass the good understanding of both countries in the important commercial relations and interests which have come into being since its ratification, and for the adjustment of which it is wholly inadequate as has been unhappily proved by the events of the past two years.

And then comes this important paragraph :

I am confident we both seek to attain a just and permanent settlement—and there is but one way to procure it and that is by a straightforward treatment on a liberal and statesmanlike plan of the entire commercial relations of the two countries. I say commercial because I do not propose to include, however indirectly, or by any intendment, however partial or oblique, the political relations of Canada and the United States, nor to affect the legislative independence of either country.

This is a just, a wise and a statesmanlike proposal from a man of the highest place and highest character in North America. Have we not seen within the last two weeks two distinguished members of Congress, Mr. Butterworth and Mr. Hitt, both Republicans, both opposed to the party of Mr. Bayard and President Cleveland, introducing Bills, one of which is almost substantially on the lines of the Resolution I have placed in your hands, Mr. Speaker, the other of which goes further than I think it would be judicious or wise to go, but both in the direction of free trade and unrestricted reciprocity with Canada. Looking at this communication which has been placed in our hands, and as to which something was said to-night, I cannot but fear that a grand opportunity was lost by the delay of the Government in not endeavoring to settle the fishery question a considerable time ago in accordance with Mr. Bayard's suggestion.

I repeat one thing which I said before, but it will bear repetition. It must always be remembered that Canada has a good deal to give as well as a good deal to get, and in making a bargain with the United States I for one would give very fair and full equivalents. I wish that the treaty should be perfectly and mutually beneficial, that for every dollar of profit

we make they should make their dollar, and that for every Canadian who is benefited an American should be benefited likewise. It is on such a basis alone that a firm and permanent treaty of reciprocity, or a firm and permanent arrangement for free and unrestricted trade can be carried out. As I have said, the people of the United States need new markets as well as we do. I do not contend, for it would be absurd to contend, that the thing is as important to them as it is to us. It is not as important to 60,000,000 to have the market of 5,000,000, as it is for 5,000,000 people to have the market of 60,000,000. That much is clear. But I do contend, Sir, that we have it in our power to give a full equivalent, and benefit quite as many Americans by this arrangement as Canadians will be benefited. I also say that this is emphatically one of those questions in which very nearly everything depends on how the question is presented to the various parties to the negotiation. You may approach this if you will in the spirit of statesmen, or you may approach it in the spirit of flunkys. It is a large question which demands a large treatment. Now, whatever the faults of England or English statesmen may be, I have always felt, and I have always maintained, that England is essentially just, and that when England understands fairly and properly the ground upon which we make this claim that England will, I believe, be prepared to concede it. As for the United States, I have no doubt that they have got their faults as we have got our faults, but with all their faults no man can have mixed much with the Americans without knowing that they are emphatically a great and a generous nation. I have heard one most foolish complaint and most foolish fear expressed, and I have heard that complaint made by men who ought to know better, the complaint that the people and the Government of the United States, forsooth, are not prepared to gush over or to rush into our arms or those of England at every pretty phrase. I do not blame them for that. As I have said, I know something of the history of North America for the past one hundred years, and something of the history of the dealings of England with the United States during that interval. Even during the last five and twenty years I say, that we have not always so acted as to warrant us in expecting that the Americans will rush at once into our arms whenever we propose a friendly treaty or arrangement with them, but I say that if you go to the United States

and make fair, just and reasonable propositions to them that there is every reason—and we have the proof of their highest statesmen's assertions that we will be so received—there is every reason to believe that we will be fairly and honorably received, and that it is in our power to make a treaty which shall be mutually advantageous, honorable and profitable to both nations. I do not gush over the United States either. I admire the United States, but I am in no way disposed to cringe to them. I think I may remind the House that the only negotiation during the last one hundred years in which Canada obtained a tolerable equivalent for her concessions was the negotiation conducted at Halifax by the Hon. Mr. Mackenzie and my lamented friend Sir Albert Smith. I take no shame to admit, and I have said it before, that for many a year I have made it my deliberate purpose that I would do all that one man could do, all that any man honorably could do, to make friends as far as I could or to cause my people and the English people to become friends once more with the people of the United States. Our position towards the people of the United States has been vastly changed within the last five and twenty years, and it is well that this House should remember that. Five and twenty years ago but a small proportion of her population were in the United States. *To-day, Sir, the United States, in the most emphatic possible manner, are becoming literally flesh of our flesh and blood of our blood.* I think my friends from the Maritime Provinces and Quebec probably can affirm my statement, when I say that I know whole counties, I know great regions, in Canada where you cannot find one single solitary Canadian family which has not a son, or a daughter, or a brother, or a sister, or some near and dear relative now inhabiting the United States. We will do best honor to the United Empire Loyalist traditions if we in our degree contribute to bring those two great races together, and to repair in this way what I have always looked upon as a great blot in English policy within the last century,

Now, there is another side of this question. Suppose the hon. gentlemen entered into those negotiations in good faith, suppose they tried their best, suppose they do their best, and suppose the negotiation fails, well, all I can say is that I would advise the people of Canada in that case to set to work and put their house in order. If we go on as we are going now, our

position will soon become intolerable as compared with the United States. I do not think that hon. gentlemen opposite have at all appreciated what the United States has done during the last dozen years. Sir, I do not think this House is at all aware of the fiscal position in which the United States stand to-day. I have here the last United States Treasury return, and what does it show? It shows, Sir, that the total expenditure of the United States, less sinking fund, was just \$268,000,000, of which \$35,500,000 came from miscellaneous receipts, and \$233,000,000 was all they required to raise by direct taxation. Now, Sir, they collect \$120,000,000 in round numbers by excise, and, therefore, all they require to raise by customs duties is a bare \$114,000,000. Sir, it would be in the power of the United States Secretary of the Treasury, if Congress gave him the authority, to raise either the whole of the customs revenue in either of these three ways. He might maintain the existing tax on sugar and impose a very small income tax indeed, and raise all the revenue he wanted; he might maintain the tax on sugar and impose a very small *ad valorem* duty and raise all the revenue he wanted; or he might maintain the present taxes on a very few articles and make his trade list free. Now, I would like to direct the attention of this House for a few moments to what might befall if the United States adopted such a course. We have no less an authority than Joseph Chamberlain for saying that if the United States chose to reduce their tariff materially, they would become a most formidable competitor to England in the markets of the world; and if they became a formidable competitor of England, what sort of a competitor would they be with our farmers and manufacturers under such circumstances—we heavily burdened with debt and the United States almost free? What, I should like to know, would the hon. gentlemen do in such a case? And it is a case which is imminent, a case which may occur at any moment? Will they go on and heap further taxes on the people? Do they think they could prevent a much more deplorable exodus than we now have? Now, Sir, if the hon. gentlemen refuse to act—this is not a motion of want of confidence; they have not committed themselves, at least the First Minister has not, and I do not think his colleagues have committed themselves, against this proposition—if they refuse to act, I ask them to consult their own Finance Minister as to whether I am not right, looking at the

result of their Fisheries negotiation, in saying that a most intense feeling of disappointment will pervade the whole of the Maritime Provinces at any rate. An intense feeling of disappointment, I know, will pervade a vast number of the farmers of Canada from one end of the Dominion to the other, and I think there will be a very great and bitter disappointment on the part of many of the inhabitants of Manitoba and probably also of British Columbia. Now, Sir, it must be borne in mind that our circumstances within a few years, not wholly by our own fault, not wholly by the fault of government, but in consequence of great economic changes which have been taking place of very great importance, have been materially changed.

Then, it is notorious that our position, in comparison with that of the United States, has in twenty years been reversed, and reversed enormously to our detriment. Twenty years ago our taxes were one-third of the taxes of the United States; twenty years ago our debt was one-third of the debt of the United States. To-day, by the last returns I have here, our debt is two and a half times, as nearly as may be, greater per head than the debt of the United States; and the necessary taxes which the United States require to raise for the purpose of carrying on their government are one-third less than the necessary taxes the people of Canada require to pay. Then, Sir, the European market, to which we formerly looked, is dwindling fast, so far as we are concerned. We are exposed to intense competition from every part of the world. On the other hand the American market is growing with immense rapidity, and has become vastly richer to-day than it was a short time ago, while we are not able to keep the emigrants we bring here. As I said before, a great change in the United States is imminent, and it is our business to prepare to meet it. Sir, let me review our course for the last twenty years. Can hon. gentlemen opposite, with the Public Accounts in their hands, venture to deny that within twenty years our debt has trebled, having risen from \$73,000,000 or \$75,000,000 to \$230,000,000, and that our taxes have trebled likewise, having risen from \$11,500,000 to 30,000,000? And that does not at all represent the real increase of taxation. Can they deny, Sir, that there is proof, absolutely conclusive, over the greater part of the Dominion, that we have lost three emigrants out of every four that we brought here, and one in four of our own people? Can they deny that there has been

an enormous reduction in the volume of trade, until the volume of trade to-day is nearly 50 per cent. less than it was in 1873 ? Can they deny that there has been a very great fall in the prices of the articles produced by our agriculturists, on whom we mainly depend ? What shall I say of the immigration for the last six years ? I have only got the municipal statistics of Ontario to go upon, but what a sorry story they have to tell us. I have the returns of every rural municipality and of every town and village of Ontario for the last six years, and what do I find ? I find that of forty-four counties in Ontario, barely three have increased their rural population more than the natural growth of the population warrants ; of the remainder, twenty-two are either stationary or have gained less than their natural growth ; and nineteen have absolutely lost population. The total gain in Ontario, from 1881 to 1886, is about 13,000 souls on a rural population of over 1,100,000. In those six years we have gained about one half of one per cent., according to the municipal statistics of Ontario. Of 206 towns and villages, 38 have increased in size more than their natural growth of population ; 91 are stationary or have less than their natural growth, and 67 have lost population absolutely ; 168 out of 206 have either lost absolutely in population or have grown less than the natural growth of population warrants. I need not go over the list of rural municipalities in detail, because they show precisely the same results ; and I am sorry to say that I find from information furnished me within the last few days by my esteemed friend Mr. Blue, the Secretary of the Department of Agriculture, that the record for the year 1887, is rather worse, if that be possible, than the records for the years that have preceded. What shall I say of the comparison between Manitoba and Dakota ? Manitoba and Dakota started seventeen years ago on equal terms. Each had a white population 14,000 strong. In about ten years Dakota had added not a little over 100,000 to its population ; Manitoba had added a little over 50,000 to its population. In 1881 Dakota had 130,000 ; Manitoba had 65,000. Then, Sir, we began to spend the money of the public by tens of millions in making railroads and promoting immigration to Manitoba. In 1886, we find that after spending \$100,000,000 of public money, and perhaps nearly half as much private funds, the population of Manitoba has grown but 30,000, and according

to the last statistics I have been able to obtain, in 1886, the population of Dakota considerably exceeds 500,000. They have added nearly 400,000 to their population within the last six years, while Manitoba has added but 30,000 according to the last census, after an expenditure of \$100,000,000. Now, do you call that satisfactory? If you do not, then the time has come to search for some appropriate remedy. I say that, rightly understood and fairly understood, the interests of Canada and the United States and the mother country are really identical, and that the time is come and is not far distant, when, at any rate the best, the wisest and the most intelligent men will realize that, if they do not realize it now. I am no annexationist and I do not propose to become one. I have no desire to see our country merged in the United States, and I can tell the House that after conferences with a good many distinguished Americans, I am well advised they do not particularly desire to add to their heavy responsibilities by seeing us politically incorporated with them. I have always held and declared that I regard annexation as undesirable. I have no more wish to see my country merge her existence in that of the great state to the south of us—although I admire much in the institutions of the latter—than I would wish to merge my own individual existence in that of another man's because I admire his abilities or envy his great estate. We have a plain duty to discharge. We are, some of us, Privy Counsellors, and it is our bounden duty to advise Her Majesty the Queen of Canada in the true interests of the people of Canada, whatever those may be. That may carry us far. To a very considerable extent the choice lies with the people of Canada, to decide whether they shall continue to fulfil the somewhat ignoble office that they now fulfil, of being practically, and in fact, a sort of hostage to the United States for the good behavior of England, or whether they will rise equal to the situation and become a link of union and concord between the two great English races. Which is the safer, which is the more honorable, which is the wiser, which is the more statesmanlike policy? I have abstained of set purpose from alluding to the fishery matter, except in a most cursory way. I do not wish to animadvert on the conduct of the English plenipotentiaries in that matter, but I may take this opportunity of pointing out to the House, and the Finance Minister

and his friends, that they can produce no argument to warrant them in asking the people of Canada to ratify that treaty, except practically this great argument that it is, in a high degree, the interest of the Empire to conciliate the good-will of the people of the United States by all fair and honorable means. And that very argument which they bring to induce this House to consent to the treaty, applies with equal force to my contention that it is in the highest degree for the interest of the Empire that we, on our side, should endeavor, through the very proposition I now submit, to knit Canada and the United States together in a closer and more friendly alliance. We must rise above the sole-craving for precedents, so dear to a certain order of legal mind. We are in a new world, and we own half a continent of it. It may be that there is no precedent to fit our case. My proposal is new and so is our situation, and, Sir, I have to say if there is no precedent to fit, let us make one. Hon. gentlemen may contend that the views I express are not those held, at least by the majority of the people, at any rate as they are represented on the floor of this House; but if these hon. gentlemen could make up their minds, for once, to depart from their precedents, and if there ever was a case in which we would be warranted in departing from precedents it is this—and would dare to submit this question to the plebiscitum of the people, they know, and I know, that the answer would be decisively in its favor. They know that an overwhelming majority of the people would be at our backs in demanding that no reasonable effort should be spared to obtain free trade with the United States; and if it were possible that this plebiscitum should be voted on by every native-born Canadian in North America, we would roll up a larger majority in its favor than has ever yet been recorded in our annals of any kind whatever. I do not say, and it is false to assert that I have ever said, that Canada has not made any progress during the past twenty years. I admit considerable progress has been made in certain directions. But what I contend for now is this, that the progress has been partial, inadequate, far below what the natural resources of our country would warrant. It is also far below what we made ourselves in the twenty years before 1861, and infinitely below what the United States made in the first twenty years of their existence, when their population was equal to ours. I am quite willing to grant that a few

towns have grown and prospered within the past few years, but I say it is none the less true that over many wide areas of this country our population is stationary and even retrograde. It is none the less true that from one end of Canada to the other, the value of farm lands is less to-day than it was six, seven or eight years ago ; it is none the less true that the value of farm products is enormously lowered, and that our farmers are exposed to a far more intense competition than they hitherto experienced. Great new forces are coming into existence, the full effect of which we are only beginning to feel. There is danger lest Canada, so far as regards our native born population, should sink into a mere residuum, a country from which the best and most intelligent of our people are fleeing, not by hundreds or by thousands, but by millions. Then as to foreign immigrants, if these statistics can be relied upon, it is clear that we are becoming a mere dumping ground for the refuse of those whom we import into this country. It is quite clear we are not growing up towards the light, and I hold it to be a very miserable symptom of our political growth, that there should exist here this craving to hang on to our mother's apron string. Under such circumstances, it is our bounden duty to ascertain at the earliest moment we can what are the views of the people of the United States on this great question. This is not a question of etiquette. We have here, to all intents and purposes, the invitation of the President and virtual Premier of the United States to go and treat with them on fair and equal terms ; and if it were a question of etiquette, the hon. gentleman is a Shakesperian student, and he knows that "nice customs curtesy to mighty kings." If two peoples desire to have a great boon like this, they need not stand on little paltry questions as to which shall make the first advance. If we fail, it will then be time to consider the situation anew. But I repeat that our real interests and those of England and the United States are perfectly identical, and will be substantially furthered by this proposition. I hope that, in this discussion, on both sides of the House, every man who speaks will remember that he is here as a Canadian representative, that he is here as a trustee of a certain section of the Canadian people, that our business here, all that warrants us in being here, is for the purpose of discussing the welfare of Canada, and I hope that we will be spared certain stale and tawdry hypocrisies of which we have heard too

much. I have the greatest possible respect for genuine loyalty and for genuine loyalists wherever I have met them. Even if they are sometimes a little wooden-headed and perverse, the thing is so good in itself that I can excuse a good deal ; but there is a certain class of loyalty, and there is a certain class of loyalists to whom I cannot extend any consideration at all. I must say that I have not much respect for 35 per cent. tariff protection loyalty or for 35 per cent. tariff protection loyalists ; and I think, if the right hon. gentleman will permit me to say so, that the First Minister showed that he appreciated correctly that class of loyalty and of loyalists in the famous parable he delivered a few years ago, wherein he compared himself—it is his comparison, not mine—to a monkey who had stolen into a farmer's orchard and was shaking down the apples for the benefit of the herd of swine that were grunting and rooting below. England can take care of herself, as England has shown many a time and oft. If the English Cabinet, when this matter is fully represented to them, as it ought to be, see fit to object, it will be time enough to take up that part of the question. In discussing it, I admit that all men who think that this will hurt Canada either morally or materially—because I do not desire to keep the question down to the mere ground of material interest—have good and fair grounds for expressing their views ; but I say that none else should be heard on any pretext in this House, and I say that the worst foe of British connection is the man who would attempt to stifle discussion on that ground. More than that, I say what every one who has thought on the subject must know and feel to be true, that, in many important respects, our position is anomalous and transitional. No one supposed, when we came together in this Confederation, stretching over half a continent, that we were to remain semi-dependent forever. We are growing in stature, not as fast as hon. gentlemen say, but still we are growing, and we are entitled to a larger measure of responsibilities and to a larger measure of rights. One thing is clear, that everyone, as I have said, who thinks twice on the subject knows and feels, that matters are not satisfactory for us in many ways. Why, even the Imperial Federationists know this. They do not know exactly what they want, I grant ; they know still less how they are to get it, I grant ; but they know that there is a want and a lack in our present relations, and they

desire to fill it. I have looked at that question long and often, and, as far as Canada is concerned, I see no way out for them. I see no way of our becoming a valuable member of a British federation save only on one consideration, and that is that you broaden your bases and take care that you unite yourselves with the United States in the bonds of a firm and friendly alliance which is not likely to be broken, and there is no way in which that is more likely to be done than by greatly increasing and promoting the trade between the two countries. In mutual advantage and benefit the surest bond of union will be found to exist, and I believe that Mr. Goldwin Smith was eminently right in saying that it was an idle and silly delusion to say that either England or the United States profited by the great struggle of the last century, that it was a thousand pities that the violent collision took place, and I know that not only Goldwin Smith expressed those views, but that they were held by the greatest and best of the Americans of that day, by men like George Washington himself, by men like Alexander Hamilton, by men even like the Adamases, though they had strong republican leanings; that they were held by all the best thinkers of the last century; and that these are the views which are held by the best and wisest Americans of the present time, and those were substantially the views, as their correspondence in certain records exists to prove, which were held by our own United Empire forefathers, who did not desire to see Great Britain tax the colonies for her own benefit, but did desire to testify to the great and grand idea of a united British Empire and a united British people all over North America. It is idle for any human being to rise up and tell this House that, when we have lost a number equal to half the whole population that now remains, things are satisfactory with us. There is not another country, except perhaps Ireland, that has sustained so heavy a bleeding as we have done during the last few years. I say the time has come when Canada may justly claim the right to make her own commercial treaties. I say it is for the interest of the Empire that she should have that right. These things at any rate are perfectly clear. It is quite clear to any one who will carefully study those trade returns and will study the figures which I submitted before recess, that the United States market, if it were only made free, is worth more than

twice over to Canada than all the rest of the world put together. It is perfectly clear that it is the only market open to us for a great amount of our own productions. It is perfectly clear to me—it may not be to hon. gentlemen opposite—that our position relatively to the United States may become intolerable, and that there is need of present action in this regard. If we do nothing, and the United States act wisely, we may prepare—farmers and manufacturers alike—for a very severe competition, for a great and increasing exodus, and for very great and increasing dissatisfaction among our various Provinces. I must not be misunderstood. I do not say that there are no other expedients possible for us, but what I do say is that the expedient I now propose for the consideration of the House is the surest, the simplest, and the easiest expedient open to us; that it commends itself in a very high degree to the instincts of our people, as it has been unmistakably shown; that it is in itself a fair, just and reasonable proposition; that it is best for us, best for the whole Empire, best for our kinsmen and neighbors on the other side of the line; and, believing that that is so, I beg to move the Resolution of which I have given notice.

A FARMER'S VIEW OF COMMERCIAL UNION.

BY THOMAS SHAW,

Secretary of the Permanent Central Farmers' Institute, Hamilton.

This is without doubt the most momentous question that agitates the public mind to-day in the Dominion of Canada. It relates to the welfare of no less than five millions of the people on this side of the United States' northern boundary line, and of fifty-five millions on the other side of it. Its adoption or rejection will undoubtedly have an important bearing on the progress of every one of the individual Provinces that go to make up this great Confederation, larger in extent than the entire domain of the United States. The question is so many-sided that it will affect all the leading industries of the country, agricultural or otherwise, in their entirety and in their subdivisions, and also the material well-being of the humblest citizen engaged in the prosecution of these, so that no one who has the welfare of his country at heart can look upon the subject with cold indifference.

WHAT IS IMPLIED IN COMMERCIAL UNION?

Commercial union between Canada and the United States implies a free interchange of all the products of both countries of whatsoever nature, whether of the waters, the soil, the sea and the mine. It would involve (1) an assimilation of tariff rates against all other countries; (2) of internal revenue taxes; and (3) very probably an arrangement for pooling receipts and customs, and distributing the same. It would be followed by the discontinuance of the services of a strong force of custom-house officials on both sides of the boundary line of nearly 4,000 miles between the two countries, which is maintained at a cost to Canada of at least half a million of dollars annually.

PHYSICAL CONDITIONS CALL FOR IT.

Take a map of the North American continent, examine it carefully, note well the physical conditions of the two countries, and you cannot but be convinced of the short-sightedness of the men who are trying to keep Canada and the United States apart for purposes of trade. The dividing line is not formed by impassible mountain barriers, and during the entire land line of nearly three thousand miles, it could not be known but for the iron pillars which mark its course. Even the system of lakes which separate certain provinces bring them into closer proximity by the facilities which they afford for transit. Certain large and populous States are located to the westward of this chain of water communication, which would afford to them a natural outlet to the sea. On the west, British Columbia has ready means of water communication with all the great American cities on the Pacific seaboard, but is separated by lofty mountain ranges from the North-West Territories and by thousands of miles of land transit from the great commercial centres of the provinces of the Confederation. The immense plains of the North-West that are being opened up for settlement are within a short run by rail of the great cities of the North-western States, such as St. Paul and Minneapolis, while the most easterly city of Manitoba, Winnipeg, is 1,423 miles from Montreal; Calgary, at the base of the Rocky Mountains, 2,262 miles, and Victoria, in British Columbia, 2,990 miles. Ontario is surrounded by flourishing cities on her very border, such as Buffalo and Detroit, and the great manufacturing centres of New England are not nearly so far distant from either Ontario or the Maritime Provinces as these are from each other. The Maritime Provinces are separated from Montreal by more than a thousand miles of rugged territory, where the railway communication is limited in winter by blockade after blockade of snow, but are at the same time within easy and cheap communication of the American seaboard. It is plain, therefore, that nature intended that the British Columbians should trade with Californians and the people of Oregon, that those of Manitoba should have access to the markets of the flourishing cities of Minnesota, yet destined to become superlatively great; that the people of Ontario should have access to all the markets along her border, that she should have trade communication with

New York rather than with Quebec, and that the people of the Maritime Provinces should trade to their heart's content with the people of New England. And so in every instance named, the trade should be reciprocal. The British Columbian with his coal and fish would get manufactured goods and provisions from a warmer clime; the Manitobans, in exchange for the products of the soil, would get goods and manufactured articles; the people of Ontario would send their live-stock and the products thereof to the markets across the border, and in return get such manufactures and productions as her climate does not yield, and also the coal of Pennsylvania; and those of the Maritime Provinces would send their fish, their potatoes, their live-stock and their coal and iron to the New England States, in return for everything they might want. Any arrangement other than this is nothing short of a crime against nature and against man, and yet it is a crime that has been perpetrated. British Columbia paid on June 30th, \$2.60 per cwt. for the transit of sugar from Montreal, and \$3 per cwt for nails, a price in excess of the first cost of nails at Montreal; and at the same date the quotation for the carriage of wool was \$4.80 per cwt. loose, and \$2.50 in car lots compressed, from the Pacific to Montreal via the C.P.R. Freight on flour from Chatham, Ont., to Halifax on the first of July was 65 cents per barrel, with a rebate of 16 cents for large lots, while transit was so low from Boston to Nova Scotia and New Brunswick that it was being shipped there in the face of a duty of 50 cents per barrel.

The physical argument, then, is unanswerably in favour of commercial union with the United States. It not only affords the nearest market, which in the end must be the cheapest, but it gives us access to a country which could supply us with nearly everything we want.

Before Confederation the Hon. Geo. Brown claimed that New England furnished Nova Scotia with breadstuffs to the amount of \$4,400,000 annually. He thought that by the construction of the Intercolonial Railway this trade would fall to Ontario and Quebec. Well, it is a costly way of securing it by paying half a million annually by way of subsidy. Nor have the people down by the sea ever taken kindly to the scheme, and who would blame them, since a long line of railway through a desolate country can never compete with a short water route over an open sea. The Hon. J. W. Longley, the

Attorney-General of Nova Scotia, reminds us that the difference in passenger fare from Montreal or Boston was as 1 to 3 in favour of the latter. And so of traffic, for it is as much to the advantage of the Maritime Provinces to buy flour from the United States, as for Ontario to get its coal from Pennsylvania. They are now in a manner forced to buy flour from Ontario and to pay cash for it, whereas if it were possible to buy in eastern markets, the buyer would become a seller. If duty was off coal, the Nova Scotian miner would sell ten tons of coal in New England where he now sells one in Quebec. It must be patent to anyone who has given the subject study, that there can be but little natural trade between the Maritime Provinces and Ontario and Quebec, between the latter and Manitoba and the North-West, and between these and British Columbia.

As to Quebec Province, it does not matter very much what the physical conditions of trade are to her. So long as she retains her present attitude of isolation, the greater the barriers to trade, physical and otherwise, the better will she be pleased. If isolation in commerce will make a people great, then the destiny of Quebec in her present frame of mind is one of superlative greatness.

This argument from geographical contiguity is severe on the advocates of an Imperial Zollverein between Britain and her colonies. Separation makes this impracticable. With commercial union between Canada and the United States, anything that the latter could furnish would be more cheaply done by the United States than by countries far away, unless what might be in the line of British manufacturers, to which free access would be worse for our industries by far than to go into commercial union with the United States. We are separated from Britain by 3,000 miles of sea, from New Zealand by many thousands more, and as many thousands intervene before we reach Australia and India.

IT WILL NOT DISCRIMINATE UNFAIRLY AGAINST GREAT BRITAIN.

It is argued that commercial union between Canada and the United States, with a common protective tariff against all outside countries, will be an instance of unfair discrimination against England.

We answer that if Britain has a claim on us for preferential discrimination in the arrangement of our tariffs, she has not got it under our present tariff arrangements, and for this the commercial union agitation is not responsible. If it is the right thing to extend to Britain, then our legislators have not done that right thing. If the relations of Great Britain to Canada give her no claim for preferential discrimination in her favour over other countries, then it follows that even though she were discriminated against in common with other countries she would have no just ground of complaint. The point here is certainly clear ; if Great Britain has special claims upon us in this matter, then those special claims have not been recognized, and no one in Canada has shouted disloyalty notwithstanding. Now, if it be the right thing to discriminate against Great Britain in one degree in matters of trade, it cannot be wrong to discriminate against her in another degree.

But let us look into the matter. How far has Britain claims upon us in this line ? She cannot hold a closer relationship to us than that of parent to child. As a parent, what has she done for us in matters of trade ? Why, just what she has done for all the world. The villainous Mahdi, the murderer of Britain's hero, Gordon, is just as free to trade with England as any citizen of Canada. But it is objected, she has not discriminated against us. Very true, but if the relationship should bind us to discriminate in her favour, it should bind her to do the same. She has it in her power to discriminate in our favour, but she will not, because it would not be to her interest. On the same principle then, our interest should govern us in arranging our fiscal relations, and this is just the line of argument used by Sir John Macdonald, when he said that, "as a self-governing people, we have a right to consult our own interests first."

We may imagine the case of a parent, whose son has gone to a far away clime to do business on his own account. That parent represents England ; that son, Canada. The boy sets out with nothing in his hand ; there he has to fight his way, and ultimately he becomes fairly prosperous. Intercourse between the son and the parent continues, and it is found mutually advantageous. But there comes a time when the son sees his opportunity of making a splendid bargain, but its acceptance would interfere somewhat with the rich old man's future gains,

till he had time to readjust his plans. Would it not be cruel on the part of the old man to say to the son that he must forego the advantage for his (the father's) sake ; or in other words that the son must sacrifice the most splendid prospects of material gain, that the old man might secure a little more gain ? The relationship between parent and child is very sacred, and we are reminded that we should honor gray hairs, but even this has its limits. The duty of the child to the parent till he has attained his majority, is that of unquestioned obedience, unless in things commanded that might be contrary to the law of heaven. After that period the son is at liberty to direct his own affairs. Now, it would be very pleasant if the counsels of the father should be continued in such a way that the son might profit by them, but if the old man gave counsel that was clearly wrong or even impolitic, the son would be in the line of duty not to accept, and if the old man persisted in thrusting it upon him, the son would be justified in resisting it. If opportunity arose, whereby the son could greatly better his condition, and the old man opposed it on the ground of some slight injury that would result to his business, would not the son be justified in pointing to his own children, and saying, father I *will* do this, for it is my first duty to provide for those that shall live after me, as it was yours in days gone by ? Who will say, who will dare to say, that the son would not be doing the proper thing ? and if the advantage that was to accrue came from dealing with an older brother, as is the case with Canada, the opposition of the old man would be utterly inexcusable. Now the relationship of kingdom and colony cannot be closer than that of father and son, hence in the analogous parallel Canada should not be blamed for seeking commercial union with the United States, even though it should discriminate against England.

IT WILL GREATLY BENEFIT THE FARMERS.

That commercial union with the United States would be an unquestioned benefit to all the farmers in all the Dominion, few can be so uncandid as to deny. The farmers of the reciprocity period look back with lingering regrets at that golden age for them, when they sent their produce to the United States and brought back gold, which laid the foundation of their success.

It is true that the American civil war was raging during a part of that period, which enhanced agricultural values, but allowing for this, it was a period of agricultural advancement such as they have not seen since, beyond all comparison..

Commercial Union would benefit the farmer (1) by *cheapening* the cost of living; (2) by delivering him from the power of *monopoly*; (3) by giving him access to the markets of the United States, thus enlarging his present market *twelve-fold*.

When a tariff is levied on imports coming into any country, the price is enhanced to the consumer. It is argued that the artizan gets his compensation in surer employment, and it may be, increased wages, and that the farmer gets his in the building up of new centres of population, and the enlargement of old ones, thus creating an increased demand for the products which he has to sell. How far this is operative in Canada we have already shown. The Census returns for 1880-1 give the whole number employed by the industries as 254,935. Now we must bear in mind that in the term industries is included all lines of material production other than agriculture. Many of them apply to the preparation of the necessities of life and to ordinary trades, as baking and blacksmithing, which are necessary in a country under any conditions, and are not in the strict sense of the term producers. And a large number are also engaged in handling agricultural products, as factory cheese and creamery butter-makers, meat-curers and others, to enable them to do which successfully requires no special tax. These, then, should not be counted in. Leaving them out, and allowing that many of the workmen have families, the whole number thus engaged, including employers and their families, cannot exceed 500,000, for a very large number of those engaged in manufactories are under 16 years of age, and a still larger number are unmarried. Take, for instance, the cotton factories. These together gave employment in 1880-81 to 975 men and 1,445 women—together, 2,420; and to 542 boys under 16, and 565 girls—together, 1,107. Now of the first class, a large percentage would be single, as this computation takes in all over sixteen, which makes it clear that our estimate of 500,000 is a reasonable one. Now the entire population of the Dominion at that date was 4,324,810. It follows, then, that all except the 500,000 had the cost of their living increased for the benefit of the latter. Whether they got any adequate com-

compensation for this has never yet been satisfactorily shown. We can conceive conditions where they might get this compensation by a vastly increased population, but this does not hold true of us. In 1881 the total amount of dutiable goods entered for consumption was \$91,611,604, and the tariff collected on the same was \$18,500,785. The rural portion of the community alone largely outnumbers the entire urban population. The proportions are at least as 3 to 2 in favour of the rural populations, as we will show further on. We leave it for our readers then to judge what proportion of this increased cost of living is paid by the farmer.

But it is argued that the manufacturers are rapidly adding to the wealth of the country by the increased value they are giving to raw materials, and to make this the more impressive, they are quoted as having produced goods at that time to the value of \$309,676,068, but the amount in raw materials, \$179,918,593, *plus* \$59,429,002 in wages, must be deducted, making a grand total of \$239,347,593. The difference between this output and the value of the entire products, \$70,328,473, is an increase in wealth to the country so far. We must acknowledge this is a very good showing so far as the manufacturers are concerned. But it should not be forgotten that the farmers were taxed some 20 to 25 per cent. on many articles of consumption to bring this about, which modifies its value to the country. It is not only an increase of wealth to the country, but a very substantial increase to the wealth of those engaged in the industries, a return of more than *42 per cent.*, less running expenses, on the money invested. Allowing 6 per cent. on capital and deducting this amount, \$9,918,157, from the \$70,328,473, the gains, with the balance, \$60,410,316, those engaged in the industries made a clear profit of \$237 out of every one of the 254,935 work-hands employed, whether man, woman or child, and to whom they had paid on an average \$233 in wages. The interest allowed on capital will serve as an offset to the labour performed by those possessing the industries. When the farmers learn to handle labour so advantageously, our cities will be so completely drained of their populations that grass will grow in the streets and unbroken silence brood over the market-places.

The farmers are in no way envious of the prosperity of the industries, or if they are, they should not be. But if they pur-

chase this prosperity for the latter at a cost of more than two-thirds of the sum of \$18,500,785 Customs duties, as we have shown they do, they have a right to ask the reason why, as we have made it clear that the only compensation they get is the purchase of their products by the 500,000 representing the industrial classes, a large portion of whom would be engaged in these occupations without a protective tariff. If the farmer must toil laboriously with a return sometimes not over 1 per cent. on the money invested, and must be taxed to afford the manufacturer a return of *42 per cent.*, he is surely justified in asking the reason why. He has this reflection, however, to console him, that he has put himself in this position, and the further reflection that he will remain in it until he lifts himself out. This state of affairs is indeed adding to the wealth of the country, and it is adding to the wealth of the manufacturer, although it is only fair to add that it is highly probable that the proportionate gains of manufacturers are less now than at the period to which we refer. We feel that our illustrations of fact here will be deemed extravagant. If so, we refer any who may conclude thus, to the Census returns of Canada for 1881-82, vol. iii, page 505, and ask them to make the calculation for themselves. Commercial Union would not remove this entire tax, for there would still be a protective tariff against other countries, but it would greatly lessen it, and if an additional tax were wanted for managing the government of the country, it would be distributed on the shoulders of all who should bear it. We may conclude, then, that it would cheapen the cost of living for the farmer, by giving him opportunity to buy through his merchant in the cheapest markets of the continent, and at a lower price because of removed tariffs.

It would deliver him from the power of *monopoly*. Monopoly is one of the greatest curses that can come upon any country, and its evils are in proportion to its extent. It finds no countenance in any system of ethics as yet given to the world, and could not exist in any country where the sanctions of the golden rule, that most perfect regulator of all trade, holds universal sway. Yet even as regards monopoly, we must be careful to discriminate. It is often charged upon undertakings where *enterprise* is the more suitable qualifying word. The term will not fully apply to any business, however gigantic, that does not so control prices as to make them unfairly dear.

It does exist in Canada and in grievous forms. Almost the only classes in the community not chargeable with this crime, for we regard it as such, are the rural portion of the community. We are not saying that this is the result of any clearer views of the obligations of human brotherhood that they possess, so much as the result of disabilities of opportunity. Owing to their isolation and numbers it is difficult for them to combine, while for opposite reasons, owing to their contiguity and restricted numbers, it is easy for those engaged in the various industries to combine. It is not wrong for any class to combine for the furtherance of common interests, providing this does not relate to a fixity of price. This should in every case be regulated by the natural law of supply and demand. The moment the demand will not justify continuance in a business on the basis of natural values, it is time to get out of it. Monopoly is one of the most gigantic cancers of the nineteenth century, which is preying upon the life tissues of one class of the community for the advantage of another class, without any corresponding weal to the general interests of the country. We have it in Canada in its worst form, owing to the restricted nature of our market and the limited number of our producers in the industrial lines. These monopolies, and those of the railway systems, are the New World Gordian knot that is going to puzzle the ingenuity of the farmers of this country to cut.

IT WOULD BRING THE FARMER AN ENLARGED MARKET.

Commercial Union would bring the farmer an *enlarged market*, with all the advantage appertaining thereto. It would do this in almost every line of agriculture, unless in the items of corn in cereal produce, and pork in the line of animal produce. It is estimated that the United States export agricultural produce annually to the extent of \$500,000,000, and it is concluded, therefore, that in the event of commercial union not only would the Americans not buy from us, but their goods would come down upon us in a deluge, and the competition would be more than our farmers could stand. But that this argument is easily refutable is clear from the fact that, notwithstanding the height of the existing tariff wall, the Americans climb over it and do buy from us in enormous quantities. In 1886 they bought from us to the extent of \$15,495,935, and in 1885 a still larger

amount. The explanation is to be found mainly in the excellence of our agricultural products, and their contiguity to the American markets where they are consumed. Now the fence is as high on their side as on ours, and if under a tariff that gives us no advantage on the whole, we can hold our own, why should we fear competition when these tariffs are removed?

The most substantial benefits would flow to us. In 1885 and '86 Ontario alone exported to the United States 27,794 head of horses, valued at \$3,628,378; 93,096 head of horned cattle, valued at \$2,044,736; of swine, 4,004 head, valued at \$11,720; 588,163 head of sheep, valued at \$1,603,375, and of poultry and other animals to the value of \$291,516; in the aggregate summing up \$7,579,725. The duty of 20 per cent. collected on this amounts to, in the case of the horses, \$725,665; cattle, \$408,947; swine, \$2,344; sheep, \$320,675, and other animals, \$58,934; summing up \$1,515,934 in the two years. Add to this the duty of 10 cents per bushel collected on the 20,178,877 bushels of barley for the same two years, sent from Ontario to the United States. This was valued at \$13,696,224, and gave a duty of \$2,017,887. We have, therefore, a total paid in duty on live stock and barley sent from Ontario of \$3,533,821 in the years 1885 and 1886, or an average of \$1,766,910 in one year lost to the Ontario farmers in their sale of live stock and barley—a larger sum than is brought into the whole Dominion by all the manufacturers through sales to the United States of their products. But this by no means represents the total loss to the Province. If the restrictions were removed the sales would increase, it may be in an untold ratio, and in addition to the increased sales the price would rise of what was not sold, owing to the increased demand.

That we are warranted in this statement is apparent from the stimulus given to the trade in eggs by the removal of the duty, which was about one cent. on each egg. The trade multiplied itself in value by '82, by the time that it had reached the tenth year of its unfettered life, and by 239 by the time that it had reached the thirteenth year—that is, the year 1883. It is unsafe to fix a limit which our trade with this people would not overrun, could we get free access to their markets? There might not be another line of the live-stock industry which would grow in equal proportion, but if many of the lines had but one-twentieth part of its growth, our exports would be

enormous. If our trade in horses alone increased but the one sixteenth part as fast as that in eggs, our export of horses would amount in the year 1900, or 13 years hence, to 55,588 head ; valued, according to present prices, at \$7,256,756. And if the export of all our live-stock increased at the same ratio, we would send to the United States in the year 1900 live-stock to the value of \$15,159,450, to say nothing of live-stock products. Now, if the 10 per cent. duty on eggs had been made but 15 per cent., that magnificent trade, which is as beneficial to the customers in New York as to the Canadian producers, had never been. See what an enormous trade we might have in fowls. In Ontario we have at the present time no less than 6,968,915 animals. What a grand market would the manufacturing centres of New England make for these if we had access to them, but we are virtually shut out !

There are many agricultural products that we have not named to which Ontario conditions apply, to say nothing of the agricultural productions of the entire Dominion. There is the article of butter, of which we exported to the United States for the fiscal year ending June 30th, 1886, only 111,388 lbs., which were sold for the humiliating price of a little more than fifteen cents per lb. In 1883, the quantity of creamery butter made in Ontario was 823,853, and the creamery business in Ontario, as well as in all Canada, is only in its infancy. There is no saying what dimensions it may ultimately assume, for our facilities, particularly in Ontario and Quebec, for the production of good butter are simply unrivalled. The conditions essential to the production of good butter are abundant pastures in summer, with full supply of clean water and shade, protection in winter, and a nutritious and varied diet, and skill on the part of the maker. Viewed in the light of these essentials, Ontario and Quebec Provinces stand out unrivalled amongst butter producing districts of North America. We may claim these two provinces as the dairymen's paradise. In Lower Canada in the month of June, where green pastures slope upward on the long swells that never seem to get to the top, the very grasses speak of milk and butter, and one almost envies the cows the purity of the waters that the dancing rills furnish them to drink. And what are these two provinces doing in the line of butter making for the American market ? Nothing ! and why ? Because the market of the New England cities—the best butter market in

the world—is shut out against them. We heard the largest butter maker in Canada remark not long since, that for every pound of butter he could make, if we had commercial union with the United States, he could get 40 cents per pound in the wholesale market, if made similar in quality to what he makes at present. Even though we got but 20 cents per pound and access to the market, what a magnificent trade would at once spring up in butter! The United States market would always have this advantage over the English: that it is near, and butter is rather a delicate article to ship long distances; and so it is with cheese. So long as we produced cheese as good as that which has captured and held the English market, we could get a market in the United States. Give us a chance, and as our hens have captured a creditable share of the New York trade, and as our meat has forced itself over the United States tariff wall, so would our cows give us a place on the shambles of all New England cities for our butter.

We have not said anything as to our wool. The total clip for the Province in 1886 was 6,238,347 lbs., of which we exported to the United States but 1,287,984 lbs., valued at \$268,362, or not quite 21 cents per pound. With no duty every pound of this would have brought 10 cents more, and with the facilities that we possess for producing wool of a very fine quality, our market in wool would no doubt assume huge dimensions.

But some take the singular ground here that the Canadians do not lose the amount of the duty. The case is as clear as noonday. A Canadian at Fort Erie has a horse which across the river would bring \$120. A buyer from Buffalo steps over and offers him \$100, alleging as the ground of his inability to give more, that he must pay \$20 to get that horse over the river. If there was no tariff line that horse could be taken over the river at a cost of the ferry charges, and the Canadian would have \$120 as the price, instead of \$100 as now, and the effect would be on all the horses sold in the country, that the price would rise, all of which would be to the advantage of the farmer. But there might come a time when the advantages would not be relatively so great. For instance, the United States import at the present time 48,000,000 pounds of wool annually. Now, until the growers in the United States and Canada together produced enough annually, the prices would keep up, the cost of manufacturing and the price of the fabrics remaining

the same. There would come, as in the egg trade, a limit to the export, but that limit would be so far ahead of what it is now that every farmer in the country who thinks earnestly about the matter must long for the 'consummation of this treaty. But even in the egg trade, we do not know that it has reached its outside limit. In 1897 it may be twice as much as it is at present.

The *relative* strength of the farmer numerically, and the extent of his interest in the country, should entitle his claims to fair consideration. In 1885 the farmers of Ontario were the owners of 21,775,299 acres of land, as returned by the assessors of that year. The total population of the province was 1,784,960, and the urban population 369,152 outside of cities; the cities contained 289,254, so that the whole urban population then numbered 658,406; the rural population was 1,126,960, so that the country contained more than two-thirds of the whole population of the province. In the same year the investment of the farmers, consisting of land, buildings, implements and live-stock, amounted to \$958,159,740. We do not know the amount of capital invested by the manufacturers in Ontario in 1885, but we do know that in the whole Dominion in 1880 and 1881, it was but \$165,302,623, so that now it cannot be more in Ontario perhaps, than \$100,000,000. We have, then, a total farm population of 1,126,960, against a total urban population of 658,406, and an investment of \$958,159,740, against a probable investment of the manufacturers of \$100,000,000, nor should it be overlooked that of this urban population, not one-half perhaps are engaged in manufactures. If the Ontario farmer's claims do not get due consideration, he knows who only is to blame for it, and it is highly probable that the ratio of population in the entire Dominion is equally favourable to the farmer.

But it is objected that the farmers who have such large investments are doing "well enough," and therefore should be content. The time was when they did well enough; the time of the Reciprocity Treaty was one of those periods, and prior to that when the potash of consumed forests were feeding their lands, but these days are gone, and what with restricted markets and impoverished soils, taxes to make other people rich, and combinations taking advantage of them, with the depressed market prices, they are not doing well enough. They are not

doing more than holding their own, unless it be in the improvements put upon their lands. If they were not hard-working and frugal and economical in every way, along with their canoe, the farm, they would go down the stream. The representation of the farmer in the cartoon of the humorous *Toronto* weekly was the grim irony of reality. The old man stood in his hay-field garments, with a manufacturer on his head, a merchant on one shoulder and a middleman on the other, and a lawyer crawling out of his pocket. We say it was the cruel irony of what is too real; but so long as he remains in this position, he has himself to blame. He has past the stage of childhood and is not in his dotage, and if his manhood allows him to rest under disabilities, the more shame for his manhood. In 1882, the farmers of Ontario were worth \$882,624,610, in 1886 they were worth \$989,497,911. The advance in these four years has been \$106,873,301, or an advance on the average capital invested for the four years, \$948,302,805, or .028 per cent., while the manufacturers of the Dominion made an advance of 42 per cent., less running expenses exclusive of wages, in the years 1880 and 1881; and yet they tell the farmer that he is doing well enough. Now anyone who knows anything about farming and the ways of farmers, must know that by the improvement of his lands, he makes the most of this advance. And it is idle to say that he has large sums of invested cash capital, for the farmer, above all other men, is prone to invest his money in real estate. The conclusion is irresistible, that commercial union with the United States will greatly help the farmer, by giving him a larger market.

ITS EFFECTS UPON THE INDUSTRIES NOT PREJUDICIAL.

Some persons argue that the adoption of commercial union with the United States will affect our industries adversely. Others maintain just as stoutly that it will be beneficial to them; that on account of the development of resources that will follow the opening up of a large market, such a stimulus would be given to them as had never been known before. Very probably both are right in a sense. There is but little doubt that there would be some derangement of our industries as they exist at present, or those who represent them, more especially those who represent the manufacturing portion of

them would not be so strongly in opposition. Many of them have grown up under the shadow of a protective system, and like a son setting out in life who has learned to rely upon the successive instalments that come from home rather than upon his own efforts, they naturally dread the withdrawal of this fostering or pampering hand, we scarcely know which, and therefore array themselves in opposition. But it is not so with all of them. There is a strong and influential minority (we can give the names), embracing in their number some of the foremost, and we need scarcely add the most self-reliant, of our manufacturers. This is an argument that has not as yet entered very largely into the discussion, although it is one of much significance. If a strong contingent of the manufacturers would rather have commercial union for the sake of the larger market, then one of the strongest arguments of those who oppose the movement is removed. The secretary of the Manufacturers' Association of Ontario gathered statistics in reference to this feature. Why has he not published these? Are we not justified in inferring that so many of the answers were unfavourable that he concluded it would be impolitic to take this step?

Why talk about "sacrificing" our industries by the adoption of commercial union? Is not the sacrifice nearly all the other way? The exports of Ontario in 1886 to the United States, are as below:

Products of the Mine.....	\$3,115,696
" " Sea.....	2,587,548
" " Forest.....	8,545,406
Animals and their food.....	6,742,789
Agricultural products.....	8,753,146
Manufactures.....	1,758,707
<hr/>	
\$31,503,292	

Here, then, we have those who export to the extent of \$29,744,585 taxed to uphold those who export to the extent of \$1,758,707. It may be urged that the manufacturers produce very much more largely than they export to the United States, for home consumption. So do the other classes, notably the farmers, who at the same time have to pay the manufacturers more for their goods than if there was no Southern customs

line at all, for in such an event they would have things less their own way.

We want the industries. We want them two-fold more than we have them; yes, three-fold. No country can thrive so well without them. We want them protected where it is necessary, as against cheap European labour, but do not want them at the expense of the sacrifice of the interests of another class which far outnumbers them, and which have at least an equal right to a fair share in the prosperity of the commonwealth. If the farmers of Ontario are not afraid of the competition of the farmers of the United States, why should manufacturers be more faint-hearted than the farmers?

The total value of the live-stock of the United States on January 1st, 1887, was \$2,400,586,938. That of the live-stock of the Province of Ontario at the same date, was \$107,208,935; and yet not a man amongst the farmers is dismayed at the prospect of competition with the United States in live-stock, although the interest of the former is more than twenty-two times that of the latter.

Again, the United States had, on the 1st day of January, 1887, cattle to the value of \$29,216,900, and to the number of 48,033,833 head. Ontario farmers do not for a moment fear this competition, although their bovines all told numbered only 2,018,173 head at that date. Notwithstanding, in the two previous years, the farmers of the Province sent over to the United States no less than 93,096 head, valued at \$2,044,736, in the face of a tariff of 20 per cent., and they are quite confident that if they can do this in the face of a tariff, they can do a good deal better in its absence. Are the manufacturers of Ontario, who breathe the same air as the farmers, feed upon the same products, are nourished by the same institutions, are protected by the same civil privileges, and have comparative advantages in every way equal to those of the farmers, going to acknowledge that the courage of the sturdy farmer is to be allowed to put them to shame? All honour to our sturdy Canadian yeomanry, that they have demonstrated to the world, that under all the disadvantages that press upon them, they are able to hold their own. How much better would they not do if they had equal chances? While the minority have their rights, they should never overshadow those of the majority. If commercial union should injure the interests of some of the

manufacturers, we should be sorry indeed; but if by not getting it, we shall injure the interests of a far larger number of the farmers, then the way of duty is clear. If there is no other way to arrange matters, it would be better by far to give 1,000 of those controlling certain industries a liberal pension, than to tax all the consumers in the state to sustain them at the expense of barring the way to freedom of trade with no less than sixty millions of people.

THE FRUIT-GROWERS' OBJECTIONS CONSIDERED.

(1) Some of the fruit-growers of the Niagara Peninsula, and it may be elsewhere, oppose commercial union on the ground that it will affect their business adversely. They argue that American fruits ripen earlier to the southward; that those fruits would in such an event be rushed into our Canadian cities, in which case the cream in prices would be skimmed before our fruits would reach the market. If there is any force in this argument it would equally apply to the present condition of New York State. The fruit-growers of this State have to compete with those of Pennsylvania and New Jersey and other States to the south of them. These Southern regions are a long way ahead of New York State in the maturing of their fruits, notwithstanding which, this State is pre-eminent for its fruit production. Its people not only hold their own against the States south of them, but the fruit industry is in a flourishing condition. Were it otherwise, our fruit-growers would have nothing to fear, as we shall see.

The climate of the Niagara Peninsula is much the same as that of New York State, and the ripening period is not very different. If, therefore, the people of that State hold their own and flourish in the face of Southern competition, why may not the fruit-growers of the Niagara Peninsula in the face of New York competition? It should not be forgotten that there may be a later as well as an earlier market. We know of a Quebec grower of strawberries who makes well out of the production of these late in the season. Why may not the same be achieved with other fruits? Why should our fruit-growers seek special protection? If the advantages of location are worth anything, these people have them in a marked degree. Buffalo with its 250,000 citizens, twice as large as Toronto, is nearer the

County of Lincoln than Toronto, and as near as Hamilton with but 40,000 inhabitants, and Rochester is not much further by rail than the Ontario metropolis. In early fruits, contiguity to a market is of great value, they are so perishable in their nature. Hence, in the event of commercial union, our great centres would be as now far away from the base of American supplies, and our Canadian producers, in the very middle of consuming centres and those near at hand, so that if our Canadian fruit-growers in the Niagara Peninsula could not hold their own in the race, at least as well as the people of New York State, it would not be for lack of equal opportunities.

But there is another side to this question. The consumer has his rights as well as the producer. The consumers of fruit in Canada number about 5,000,000 of people, while the producers are but a fragmentary portion of the population. We cannot give the numbers, but they are relatively small, as the entire population of Lincoln, the greatest fruit producing county in Ontario, is only 20,025, of which it is probable that not more than one in ten is a fruit-grower. The major portion of the Dominion will not grow the more delicate kinds of fruit to advantage, yet the populations of these will be consumers if they can get them. The people of the Dominion imported during the fiscal year ending June 30th, 1886, from the United States, in the item of *green* fruits alone, to the value of \$501,669, and paid in duty for the privilege, \$101,441. In the item of green apples alone, the staple fruit of the Dominion, our people bought from the United States to the value of \$63,366, paying 40 cents duty on every one of the 31,278 barrels imported. It is not more fair that the consumers of fruit should pay this sum, for the special advantage of the fruit-growers, than that the farmers should pay a heavy annual tax for the special advantage of those engaged in manufacturing, nor have the fruit growers of Canada any more right to tax the manufacturers a higher price for their products, than the latter have to tax the former a higher price for theirs. This brings us back to a fundamental principle of all true legislation, which never seeks the welfare of the few to the disadvantage of the many. We are aware that certain fruits are admitted free into the United States, and this fact proves amongst other things that if fruit-growing here gives the Americans no concern as to fencing it out of their country, it will not pay us to fence it into ours with a tariff wall.

COMMERCIAL UNION AND THE MINING INTERESTS OF CANADA.

BY T. D. LEDYARD.

In considering the mining interests of a country, and the wealth which profitably worked mines bring to it, coal and iron are by far the most important factors. These minerals are the source of much of England's greatness, and nature favours any country in which they are found in abundance. They do not enrich any individual or any class of men so much as they benefit the whole community. Coal, certainly, except in the case of coke, undergoes no change until it passes into consumption, requiring only mining and transporting before it reaches the consumer; but iron requires the labour of many hands at every stage, and its value is multiplied many fold before it reaches the consumer. Take steel rails, for instance, which is only one case out of many; one and a-half tons of high grade iron ore are required to make a ton of steel rails. This ore costs, say \$3 to mine, but the ton of steel rails is worth at least \$30. That is, the value of the steel rails is ten times the value of the ore which made them, showing that nine-tenths of their cost is distributed in the labour of smelting the ore, the cost of fuel and of transportation, and in the different processes they undergo until the perfect steel rails are produced. By far the greater proportion of this is expended in labour, and therefore it is that iron and steel manufacture benefits a country more than any other. For this reason the state of the iron trade is the financial barometer of a country's prosperity; if the iron trade is prosperous wages are good and freely distributed, and other lines of business take their cue from it. My remarks on the subject will be chiefly confined to our iron interests.

THE SPANISH MINES NEARLY EXHAUSTED.

Here is one very important point in considering the Canadian ore question. While our grain markets are being cut off by Indian and Russian wheat, our ores are likely to be re-

required at an early date. England derives most of her Bessemer ores from Spain, whence also the United States get the greater part of their imported ores. For some time past reports have appeared showing that the Spanish ore deposits cannot last much longer. Recently a statement has been published that the Campanil district, one of the most important, has very much reduced its production, and that before long it will cease altogether. The exhaustion of Spanish ores will produce far-reaching consequences ; if England were deprived of these ores she could no longer produce the cheap steel she now manufactures, and a great and radical change must take place. When the Spanish ores are exhausted (and a very few years must see the end of them) no part of the world will offer greater inducements for the manufacture of steel than our own Canada, and if a sufficient market is opened to her, there is no reason why this country should not become a large producer of iron and steel, and obtain a share of that prosperity which naturally follows. In that case it would not be at all surprising to see some of the large English iron manufacturers transplanting their works to Canada. We should then have an opportunity of seeing how far their loyalty goes ; the boot would then be on the other leg. I am very much mistaken if these same English manufacturers, having transplanted their business to Canada, would not be the most enthusiastic Commercial Unionists of us all. This is no visionary dream, for already English manufacturers are looking towards Canada ; within the last few months I have had several inquiries from England regarding our ores and iron mines.

EFFECTS OF THE UNITED STATES DUTY.

There is at present a duty of 75c. per ton on all iron ore entering the United States ; this, of itself, is a handsome profit on mining iron ore, and even 50c per ton is a good profit on the whole output of a large iron mine. The duty of 75c. per ton then prevents many iron deposits from being worked. There are some large beds of very pure ore so favourably situated that they will pay in spite of the duty, but these are comparatively few. The opponents of Commercial Union tell us that we have the Canadian market ; this is true, but the Canadian market does not amount to much ; 300,000 tons of pig-iron is about

the annual consumption of Canada, requiring about 500,000 tons of ore; half-a dozen good mines would produce this; in fact two of the leading mines in Michigan would easily do it. The Chapin mine on the Menominee Range last year produced over 330,000 tons, and the Cornwall mines in Lebanon County, Penn., put out in 1887 the enormous quantity of 700,000 tons, or over 2,000 tons a day for every working day throughout the year. One single furnace company in the States, The North Chicago Rolling Mills Co., uses 1,700 tons of ore a day, as much as would supply the whole of Canada.

A LIMITED HOME MARKET.

Our market, besides being so small, is very much scattered, and distance tells heavily in the transportation of iron. In Nova Scotia iron and coal occur in close proximity and there is every facility for cheap iron manufacture, but where is the market? The freight to Montreal is high, still higher to Toronto, and prohibitory to Winnipeg. The natural market for Nova Scotia coal and iron is, of course, in the Eastern States, and the market for British Columbia coal and iron is in the Pacific States; and did not the tariff prevent it a great trade would be done to the mutual benefit of both countries.

RICHNESS OF CANADIAN IRON ORE.

During the year 1887 the United States used 13,250,000 tons of iron ore, of which 12,000,000 was produced from their own mines, and one million and a quarter imported, mostly from Spain, but very little from Canada. The ores imported from Spain are of Bessemer quality, and very free from impurities, but are not so rich in iron as some of our Canadian ores, the average Spanish ore not yielding more than 50 to 55 per cent. of iron, while some of our ores run as high as 62 to 67 per cent. of metallic iron. Under reciprocity with the States a great part of these Spanish ores would be replaced by Canadian, to the great advantage both of our neighbours and ourselves. The advantage to the United States blast furnaces importing Spanish and other Bessemer ores from Europe is that, at certain points on the Atlantic coast, or contiguous to Atlantic ports, these ores can be laid down cheaper than Lake Superior Bessemer ores. The advantage is simply in the cheap-

ness of these foreign ores ; they give employment to no one in the United States, either in mining or transportation to the Atlantic ports, as they are generally brought over as ballast in foreign vessels. Whereas, if the duty were removed from Canadian ores, these could be delivered from the Ontario iron districts to good distributing points on the lakes, such as Charlotte, Fairhaven, Buffalo, Cleveland, Fairport or Ashtabula, cheaper than Spanish ores can be imported, and American cars and railways would have the carrying of them. Other things being equal, American furnaces would, no doubt, for several reasons prefer Canadian ores to those imported from Spain of equal quality and at the same price ; but if it can be shown, as it certainly can, that without the duty, richer Canadian ores can be delivered to many American furnaces at far lower prices, a great benefit would be conferred on the iron industry of the United States. And this could be done without interfering with domestic ores, for it would be some time before Canadian ore would more than replace that imported from Europe, and then the increasing consumption would absorb all that we could send them without diminishing the consumption of their own ores.

CONVENIENT LOCATION OF ONTARIO'S MINES.

Ontario has large deposits of excellent Bessemer ore so situated that it can be delivered at Buffalo very cheaply. Go down to the Esplanade and walk from the Don to the western boundary of Toronto along the railway tracks, and any day you will see hundreds of coal cars which come here from the coal regions of the United States, laden with coal, some of which go east to Belleville, perhaps further, and some north-east to Lindsay, but after unloading their coal they mostly go back empty. Now, when these cars are at Belleville or Lindsay they are not far from our Bessemer iron ores, which they could take back as a return freight, and deliver at furnaces in Pennsylvania, close to their destination. A large trade would be done in this way if there was no duty ; our iron mines that are now lying idle would be developed, benefiting our back country more than anything else, giving employment to numbers of miners, a good market to the farmers in the neighbourhood, as well as business to the storekeepers.

COMMERCIAL UNION DISCUSSED.

This trade would also benefit the United States, for in the consideration of the great question of Commercial Union we should not look at it only from our own standpoint, but should see how it will affect our neighbours. Buffalo is now becoming an important distributing point for iron ores, and will be still more so in the future ; ores are delivered there by vessels from Lake Superior and distributed by rail to furnaces in Pennsylvania. Lake Superior ores are taken from the mines to Marquette, Ashland, or Two Harbours on Lake Superior, or to Escanaba on Lake Michigan, and then shipped by boat a distance probably of over 1,000 miles to Buffalo, whence they are again transhipped to railways which carry them to the furnaces, thus necessitating three different handlings, and this route is open only during the season of navigation. But our ore districts in Central and North-East Ontario are within 250 miles of Buffalo, from whence our ores can be delivered by rail all the year round in returning coal cars, which can be run direct to the mines without going much out of their way, and from thence run through to the furnaces without transshipment and with only one handling. The return freight of ore is so much additional business to the American cars and railway companies, as well as to our own railways, and the furnaces can get cheaper Bessemer ore much closer to them than Lake Superior.

THE DUTY THE CHIEF DIFFICULTY.

I have been endeavoring for some time to find markets for our ore in the United States, but it has been up-hill work, the duty being the chief difficulty. There has also been in the past considerable prejudice against Canadian ore ; for this, I will freely admit there has been some ground. While we have excellent ores, we have also some poor ones containing objectionable matter. Through ignorance partly, and perhaps sometimes through dishonesty, these bad ores have been sent to the other side ; there are places through some parts of our mineral districts where the ore contains titanium, the worst enemy to iron ore. These ores should never have been touched, but in some instances they have been sent to American furnaces for trial, only resulting in their condemnation and in giving the furnace men the impression that our ores are titaniferous.

UNFAIR STATEMENTS ABOUT OUR MINES.

Sulphur is also an objectionable element, and some of our mines, as in nearly all iron districts, contain too much sulphur. Injury has been done to our interests by ores too high in sulphur having been shipped. Some of the United States mine owners have not been slow to circulate the statement that all Canadian ores contain titanium and sulphur, but nothing is more unfair than to condemn a whole country, and especially such a mineral country as Canada, where the ore districts extend for hundreds of miles, because objectionable ore is found in some parts. There is bad ore in almost every iron district. Titaniferous ore is found in Minnesota, on the north shore of Lake Superior, not far from the district where The Minnesota Iron Co. produces the very best Bessemer ore, and similarly, ores too high in phosphorus and sulphur are found in the Marquette and Menominee districts, not far from the most celebrated mines of pure ore. It is most unfair therefore to give our ores a bad name, because in some parts of our vast mineral districts are to be found some objectionable matters. Not only owners of American mines have spread these reports, but some of our own people are much too quick to condemn the products of their own country. People who know nothing about the subject have told me that our ores are not good, but strangely enough these are generally the opponents of Commercial Union, who arrogate to themselves all the loyalty in the country. It is a curious loyalty which refuses to recognize whatever is good among our own productions.

ANALYSIS OF CANADIAN ORE.

Within 110 miles of Toronto, close both to the Midland branch of the Grand Trunk, and also near to the Canadian Pacific railway, are deposits of Bessemer ores of excellent quality. An analysis of ore from a large bed in the Township of Belmont shows sulphur, only a slight trace; phosphorus, 0.002, or one-thirtieth of the permitted limit for phosphorus in Bessemer ore; metallic iron, 65.36; the chemist remarking on the exceptional purity of this ore. Another analysis of average ore taken from all over this deposit gives metallic iron, 66.29; manganese, 0.42; phosphorus, 0.024; silica, 3.19; titanium,

none ; sulphur, practically none. These analyses were made by chemists of large blast furnaces in the States, and have fully confirmed the first analysis made by Prof. Chapman, of the Toronto School of Science, from surface samples of this ore. The latter remarks :—"This is an exceedingly good ore, not too close in texture, rich in metal, quite free from titanium and practically free from phosphorus and sulphur, while the rock matter would be almost self-fluxing. It is well adapted for final treatment by the Bessemer process." Dr. Chapman's opinion has been fully confirmed by practical iron men. Another analysis gives iron, 68.88 ; silica, 3.18 ; phosphorus, 0.006 ; titanium, none ; sulphur, none ; which is about as nearly a perfectly ideal Bessemer ore as can be conceived. One prominent man in Cleveland writes, "I can sell all the ore of this quality that I can get." Professor Thomas Heys, of this city, who examined this ore bed, makes a similar report regarding the quality of the ore and estimates that there are at least a million tons of ore within a hundred feet of the surface. The Snowdon iron district, 40 miles north-east of Lindsay, contains good Bessemer ore, very free from impurities. Analyses show 62 to 63 metallic iron ; phosphorus, trace ; sulphur, 0.025 ; titanium, none. In order to be of Bessemer quality, the amount of phosphorus must be very small, the limit in a 60 per cent ore being 0.06. When the analysis shows a trace only, this means less than 0.005 per cent. phosphorus, or less than one-tenth of the allowance for Bessemer ore. These analyses, therefore, show our ore to be more than usually free from impurities even for Bessemer ore.

ADVANTAGES OF THE IRON INDUSTRY.

To be convinced of the benefit of working an iron mine, a person should go to the neighbourhood of an active mine and judge for himself. The Blairton mine, in Peterboro' County, at one time employed between 300 and 400 men, at wages from \$1 to 1.25 per day, paying out from \$1,800 to \$2,500 weekly for wages alone. There was employment for every able-bodied man and boy for miles around. The farmers from surrounding townships found ready sale for produce at prices equal to the Peterboro' market. Think of the good this would do to the country ! An iron mine, with a production of 400 tons a day,

would steadily employ 400 men ; the labour of these men would be fully equal to that expended upon 100 farms in our back country, and the benefit would be fully as great as the cultivation and production of 100 farms. Within a few months after starting, several of our large ore deposits could give employment to this number of men in each mine. So that if ten good-sized mines were working they would employ 4,000 men, and do as much good to the country as 1,000 well cultivated farms ; but unlike farms, which take several years to clear and cultivate, the mines could be brought to a considerable state of efficiency within a few months.*

The production of Lake Superior ores last year was about 4,000,000 tons, a third of the whole domestic production of the United States, while only about 70,000 tons of Canadian ore were produced in 1886 and considerably less in 1887.

The greater part of the Lake Superior ores go to furnaces in Pennsylvania and Chicago, and are of course subject to no duty ; it is because they have free entry to the whole of the United States that these ores can be profitably produced in such large quantities. If they were subject to a duty of 75 cents per ton many of their mines could not work. It is the duty that makes all the difference. Our ores are similar to those of Lake Superior, many of them fully equal to the best ; our labour is cheap and shipping facilities good, but there is the duty against us. The manager of one of the Michigan mines, after visiting the Snowdon iron district, writes : " You have good ores and a good country, but the duty is the killing of Canada." But the most remarkable instance of prosperity from access to the larger markets is to be seen in the Southern States. Many timid Canadians fear that if we have free trade with the States, they being so much wealthier and more populous, would wipe us out. Have the Southern States been wiped out by free commercial intercourse with the richer Northern States ? Let us look back and see in what position the South was twenty years ago, after the War ; the whole Southern States appeared to be completely crushed, so much so that it seemed doubtful if they could ever revive. If Northern competition is so fatal, surely

* Nowhere can be seen greater prosperity on the same scale than in the villages which are called into existence by the working of a large mine ; good wages are regularly paid and so much cash distributed through the district where, but for the mine, there would be a barren waste.

the stricken South could never have made headway against it. But what do we find in the South to-day? We find a most surprising revival which is phenomenal in the rapidity of its development and in the actual progress of the country. This prosperity is owing in a great degree to the deposits of coal and iron in the South, and to the enterprise which has developed them, with the assistance of Northern capital. Northern competition has not injured the Southern States, but on the contrary their free trade with the whole United States is the reason of their prosperity, and has caused their rapid development. Does any one suppose, that if the South was cut off from the trade of the Northern States by a Customs line, it would benefit them? In that case, would they not still be sunk in depression and despondency? Undoubtedly they would, and yet that is just the position in which our restrictionists want to keep us.

Canadians are not cowards, far from it, but it certainly seems a most cowardly doctrine to suppose that we, the vigorous young Canadian nation, should be crushed out by competition with the United States when the crippled South has revived and prospered under it. Our iron ores will compare favourably with any in the world; all we want is a market. What Michigan and the Southern States have done and are doing, we can do, if we are admitted to the market of our own continent on equal terms.

WHY THE MINES ARE NOT DEVELOPED.

With many of our iron deposits the duty of 75 cents per ton, simply prevents their being worked; it makes all the difference between a profit and a loss. It is a question of existence; to be or not to be. Yet some restrictionists have asked, "Cannot you work your iron mines at a profit and pay the 75 cents per ton duty?" After inspecting the Belmont mine, before referred to, an American expert stated that within a short time after commencing work on it he would be taking out 400 tons of ore a day; the duty on this would be \$300 a day. Perhaps the restrictionists will kindly tell us how they would like an unnecessary tax of \$300 a day on any one of their businesses.

SUMMARY OF THE VIEWS PRESENTED.

The points that I have endeavoured to prove are that we have first-class ores; that in many cases the duty of 75 cents

per ton prevents these ores being mined; that the removal of the duty would benefit both Canadians and Americans alike.

SMEETING FURNACES.

I have so far only noticed the question of exporting ores to the United States, but there are large quantities of poorer ores which would not pay to export, but which could be very profitably smelted on the spot if we had a market large enough to induce capitalists to put up the necessary works. A blast furnace takes a considerable capital both to erect and run it. There are many suitable points for blast furnaces in our mineral country where ore and charcoal can be had at the lowest cost and where there is every facility for making iron, the market only being wanting. There are numerous deposits of bog ore or brown hematite containing 35 to 45 per cent. of iron, which are suitable for a local furnace but are of no value otherwise. One ordinary-sized furnace would employ in its own work and in the preparation of charcoal a number of men, and would make a good local market for the farm produce of the surrounding country.

AN ERRONEOUS IMPRESSION CORRECTED.

The Canadian market is too small to induce capitalists to put up the expensive works necessary to make iron and steel, but if the whole North America market was open to us there are many points where furnaces would be erected. And here let me correct an erroneous impression with regard to the amount of fuel necessary for smelting iron. It was stated recently in a Restrictionist paper that it required two tons of coal to smelt one ton of ore. This is not the case, the fact being almost the reverse of this. Mr. John Birkinbine, of Philadelphia, editor of the *American Journal of Charcoal Iron Workers*, a very high authority, in a letter to the *Iron Age*, computes one ton of coke only to make one ton of pig iron. A correspondent of the *Buffalo Commercial Advertiser* last fall stated that 1,900 lbs. of Pennsylvania coke smelts $1\frac{1}{2}$ tons of Lake Superior 66 $\frac{2}{3}$ per cent. iron ore, which yields one ton of pig iron in the furnace. An account appeared recently in the *Iron Age* of a run at the Union Steel Works, Chicago, where only about half the weight of fuel was used in smelting a quantity of ore, the proportion being about 1,750 lbs. of fuel to 3,500 lbs. of ore.

FURNACES SHOULD BE CONVENIENTLY SITUATED.

This makes a vast difference in considering the favourable locality for a blast furnace. If we had free trade with our continent, why should not Toronto be an excellent point for a blast furnace and a good distributing point for its products? We have the best of ores within 125 miles of us and are much nearer to the fuel than many furnaces in the States. Connellsville coke is carried 600 miles to the Chicago blast furnaces, and still they do an immense and very increasing business.

A BENEFIT TO THE WHOLE COMMUNITY.

Although the manufacture of iron and steel benefits a community more than any other, one impressive fact may be stated to show the apathy of Canadians in these matters. Take the C. P. R. east from Toronto, and when you get a little over 100 miles down the line you will be in the mineral district and close to deposits of Bessemer ore suitable for making steel rails. This mineral district extends for hundreds of miles, the C. P. R. traversing a great portion of it. Were the steel rails over which you are travelling made from Canadian ore? Not at all. These rails were bought in England, probably made from Spanish ore, and in their manufacture did not contribute one dollar's worth of benefit to any Canadian, although similar ore from which the rails are made lie almost alongside the railway track. Is this loyalty to ourselves to send money out of the country for articles which we can manufacture ourselves, four-fifths of the value of which would be distributed to pay for the labour of our own miners and mechanics? Instead of doing this, our money has gone to pay Spanish miners and English labourers, who care nothing for us and could not probably point out our country on the map.

CONSUMPTION OF IRON PYRITES AND OTHER MINERALS.

The consumption of iron pyrites for making sulphuric acid is rapidly increasing in the United States. In 1886 112,000 tons were consumed. The duty of 75c per ton is a heavy tax on this article, as pyrites is only worth about \$4.50 per ton in New York, but if there were no duty a large trade would be done, as we have many deposits of pyrites suitable for this pur-

pose. Large quantities of copper ore would be shipped to the States were it not for the duty. In the Nipissing and Algoma districts new and important discoveries of copper have lately been made ; but here again the tariff bars the way. The United States duty on lead ore is prohibitory, and there is little encouragement to develop our galena veins, although, no doubt, we have abundance of this useful mineral, and the same remark applies to several other minerals, notably to the salt industry, which suffers greatly through restriction.

Few people are aware of the extent and importance of our mining districts. There are at least sixteen constituencies in Ontario which are emphatically mining districts. Commence at Peterborough and go east through the counties of Hastings, Addington, Frontenac, Renfrew, Leeds, Grenville, Lanark and Carleton, or commence with Victoria and go north through the districts of Muskoka, Parry Sound and Nipissing, and for hundreds of miles through the great district of Algoma you are still in a mining country, while in the Province of Quebec many counties are fully as rich. No country in the world possesses such mineral wealth as Ontario, where so little is done to develop it.

The mining districts of Michigan and Minnesota are much smaller than ours, yet from those States the market value of iron ore mined in 1887 was about \$24,000,000, of which \$10,000,000 was paid in freight and probably as much in labour, while from a larger area of mining territory we in Canada produced hardly anything.

I am a strong Protectionist, but I do not carry the idea of Protection so far as to advocate a tariff wall between the Provinces of Ontario and Quebec or between the States of Ohio and Pennsylvania.

If it is profitable for Ohio to trade freely with Pennsylvania or New York, why should it not be just as profitable that Ontario and Quebec should trade freely with those States ?

Our commercial interests are identical, and the fact of our having different political arrangements should not make trade between us less profitable.

Now-a-days when there is such keen competition in every branch of the iron and steel business,—and whenever there is a period of depression we hear complaints that there is so little margin of profit,—the question of cheap ores becomes of vital importance.

While every device is resorted to in modern furnaces to cheapen the cost of production, the most important question of cheap ores appears to have been somewhat overlooked.

Our Canadian Bessemer ores are so favourably situated that they could be delivered to Pittsburgh and many furnaces in Pennsylvania much cheaper than other ores of the same quality if there was no duty.

Under the present tariff our mines remain undeveloped, while on the other hand the furnaces are anxiously seeking for cheap ores.

If the duty was removed this trade would find its natural channel, to the great benefit of the United States furnaces and of our mines.

ABSURDITY OF OUR PRESENT TRADE RELATIONS.

Let any unprejudiced man of common sense, either American or Canadian, stand before a map of North America, and, after carefully tracing the boundary line between us, say why the inhabitants of this great continent, who are of the same race, the same language, the same religion, and who have the same interests, should interpose hostile tariffs against each other. Did nature ever intend that artificial barriers should be placed where only an imaginary line separates us? I would suggest that the Commercial Union Club hang on its walls a map of North America, on which there should be a black line, drawn broad and deep along the boundary line between Canada and the United States, so that the absurdity may clearly appear of trying to keep apart two portions of the same continent which nature intended to be commercially one. Then if you like, run a red line round the outside boundary of both showing the vastness of the country we should have to trade in were the barriers thrown down, and on the heading of the map place this motto, which should also be the motto of our Club, "Let us have free trade with our own continent, our natural market!"

HOW UNRESTRICTED RECIPROCITY WITH THE UNITED STATES WOULD AFFECT THE PROSPERITY OF TORONTO.

BY S. H. JANES, M.A.

The Commercial Union Club of Toronto has been organized, I venture to affirm, on the principle of the most genuine patriotism. We aim to promote what we conceive to be the best interests of the Dominion. We seek to make Canada a better country to live in by improving our trade relations with our nearest neighbour—not in the interest of any special class or section of the community to the detriment of others, but in order that the greatest good may result to the greatest number. If we continue to trade with any particular country, and if, notwithstanding the artificial barriers, such trade increases during a long series of years faster than does our commerce with any other people, we are perfectly safe to conclude that it is profitable to trade with such a country. It would seem to follow, as a logical sequence, that whatever we can do to improve and facilitate such a trade by removing artificial obstacles and restrictions of all kinds, is advantageous to us and is in the truest sense patriotic. We find that our commerce with the United States has increased until it has become more important than even that with Great Britain. For the year ending June, 1886, of our foreign business, 45.89 per cent. was done with the United States, and 43.30 per cent. with Great Britain, and only 10.81 per cent. with all other countries. This result was achieved, notwithstanding the fact, that so far as our exports were concerned, we had to surmount a high Customs wall to enter the United States, while Great Britain admitted our goods free of duty, as she does the produce of other countries. The object sought in the formation of this Club, I take it to be, is, to assist in breaking down that Customs wall, so that what we have to sell may enter the United States as freely as into any province of this Dominion, and also, to demolish the wall which we have erected on this side of the border, so that goods may come in as

freely from the United States. We contend for absolute free trade between those two great countries. The special branch of this important subject which we are to-night to discuss is, "How Unrestricted Reciprocity with the United States would affect the prosperity of Toronto?" Let me for a while occupy your attention in attempting to throw some light on this subject :

The citizens of Toronto are justly proud of their city. As compared with any other city in the Dominion, Toronto enjoys a high degree of prosperity ; her increase in population and wealth being very rapid. It is reasonable that we should be jealous of that prosperity, and should scrutinise very carefully any measure that would imperil it. Further, it is only by examining how Unrestricted Reciprocity would affect different sections of our country, and by balancing the advantages against the disadvantages that we can determine whether or not such a measure as is proposed would be beneficial to our country as a whole.

Toronto has many special advantages which would seem happy omens of a great and prosperous future. Its situation makes it most desirable as a place of residence. The broad expanse of fresh water to the south affords excellent opportunities for invigorating recreation. It moderates the heat of summer, and, with the high uplands to the north, modifies the cold of winter. So far as my observation goes, I know of no city in the world that, all things considered, offers a more invigorating and delightful climate, or a pleasanter home. A glance at the map will convince anyone that its central location admirably adapts it to be the metropolis of Ontario. Also, thanks to the wisdom and enterprise of our early citizens, the network of railways which is spread over the country, is made to converge at Toronto, placing her in a position of easy communication with every part of the settled portions of the Province. From any locality in a wide circuit of country, a merchant can come to Toronto by a morning train, make his purchases, return home by an evening train, and receive his goods in his place of business on the following morning. Toronto is also the seat of the Provincial Legislature and the headquarters of our monetary institutions, of our law courts, of our universities and other educational and professional schools, of the press and of social life. In a word, she is the commercial, intellectual, and social metropolis of this vast Province. By

reason of these facts—of her central position, of the vast system of railways converging at that centre, of the variety and importance of her institutions, of her growth in population and wealth, of long established acquaintance and trade relations, of the vigilance, vigorous enterprise and fair dealing of her merchants and men of business—she has acquired a hold on the trade of the Province that it would be very difficult either to disturb or to dislodge. She has already attained to such a degree of sturdy maturity, that she need not fear, under equal conditions, the competition of any other city either in Canada or in the United States.

Now it would appear to me to be tolerably self-evident that any measure that will increase the prosperity of the country tributary to Toronto, must benefit Toronto. If by Free Trade with the United States, the people of our Province can procure a more ready market and higher prices for what they have to sell, while the cost of production remains the same or is even reduced, the prosperity of the whole people will be thereby greatly enhanced, and in that prosperity Toronto will participate.

The most important industry in Ontario is Agriculture. According to our latest Census, 1881, the agricultural class numbered nearly as many as all the other classes put together, and had farm labourers been included, as they should have been, the agricultural class would have exceeded in number all the others. It is difficult to form an estimate of the value of the total farm product for any year, as returns are very incomplete. The total value of what are known as field crops for 1886, is set down as \$110,764,626, and when we come to add to that amount the product of live stock, wool, cheese, butter, fruit, vegetables and other articles not included, we think we are safely within the mark when we place the total value of the agricultural product of this Province for 1886 at something like \$160,000,000. Of this enormous amount, about \$20,000,000, was the value of the wheat crop, and this would not be materially changed by Free Trade with the United States, as Liverpool is the market which determines the price of this cereal. But wheat is rapidly losing its importance to our farmers. Through the enormous cheapening of freight by rail and steamship and the extensive cultivation of wheat on the prairies of the west, in India, in South America, in Russia and other countries, where it can be grown cheaper than here, the culti-

vation of wheat has become unprofitable in this Province. Our farmers must turn their attention to other products. Of nearly all the other products, the United States is our best market, notwithstanding the enormous toll we have to pay to the United States Treasury in order to reach that market. There can be no doubt who has to pay that toll. The reason is, that the amount we have to sell forms such a small percentage of the total consumption in the United States, that it does not in any sense control that market. If any one is in doubt, let him send over a carload of horses, cattle, sheep, wool, barley, or other products, and he will find that the net price he will receive will be the price current in the United States less the amount of the American duty, cost of transportation and of handling. If the value of a horse on this side of the boundary be \$100, it will be \$120 on the other side, though it may not be more than a few feet distant, 20 per cent being the amount of duty charged by the Americans. Of barley, if the price on the other side be 60 cents, the price on this side will be 50 cents, leaving out of view the cost of freight, etc., 10 cents per bushel being the amount of the duty. Of wool, if the price on the other side be 32 cents, the price on this side will be 20 cents, 10 cents per pound and an *ad valorem* duty being charged by the Americans. The case will be found to be similar with other articles. Again, the net price realized for the surplus product exported in any line, though that surplus be relatively small, determines the price for the home market—in a word, determines the value of the entire product. Of barley, the crop last year amounted to 19,512,278 bushels, valued at \$10,009,799, but only for the American duty, the value would have been \$1,951,227 more, or an increase of nearly 20 per cent. Of live stock, the total value last year was \$107,208,935, but only for the American duty the value would have been 20 per cent more, amounting to \$21,441,787, or equal to an annual increase in value of about \$5,000,000, and so on with other items. We think we are safely within the mark when we say that sweeping away the American tariff, so far as this country is concerned, would result in adding at least \$15,000,000 to the value of the annual product of our farms. But this is not all. The sweeping away of the Canadian tariff as against goods coming into the country from the United States would greatly cheapen the farmer's cost of production. With reference to our imports from the United

States the exact reverse takes place from what is the case in reference to our exports to that country. Here again the small volume of our purchases as compared with the enormous product in the United States, prevents our purchasers from influencing the market price. Therefore, whatever duty our Government impose on imports from that country, *plus* the profit of the wholesaler and the retailer on that amount, has to be paid by the consumer. But it may be said that if we did not raise our revenue by duty on imports we would have to resort to direct taxation, and that we would not therefore profit by removing the duty from goods coming from the United States. But the wholesaler and the retailer charge their respective profit, together amounting to at least 50 per cent on the amount of duty, as well as on the original cost. Doing away with the Canadian duty would therefore very materially cheapen to the consumer the price of cottons, sugar, furniture, machinery, implements, hardware etc. That is to say, the farmer would have to pay a less price for such articles as he requires to purchase, or in other words, his cost of production would be lessened. But leaving this consideration out of view, and assuming that we are correct in stating that Unrestricted Reciprocity would result in adding \$15,000,000 to the value of the annual product of the farms of Ontario, let us try to realize the full meaning of this enormous sum. It is equal to one and a half times as much as the annual interest on the entire debt of the Dominion. Assuming that the population of our Province is to-day 2,136,000, and that half are engaged in agriculture, it would be equal to about fifteen dollars for each man, woman and child of that class, or nearly three times as much as they now pay as their share of the expenditure of the Dominion. Capitalised at six per cent, it would be equal to \$250,000,000, or more than 40 per cent. of the present value of all the assessed farm lands of the Province exclusive of buildings. In other words, Free Trade with the United States would increase the value of our farms about forty per cent.

If we wish to learn anything from comparison of values of farm lands here with those in the States, we must take care that we select for such comparison districts that are similar. I suppose the County of Oxford contains as good lands as are to be found in our Province, and the Genesee District in Central New York as good as are to be found in that State. These two

districts are similar in productive capacity, were settled about the same time and largely by the same class of people, and have reached about the same degree of cultivation. Good farms in the county of Oxford are worth from \$50 to \$75 per acre, and in the Genesee District in New York, as I am informed on reliable authority, they are worth from \$100 to \$200 per acre. Other comparisons give about the same relative difference. We therefore have a confirmation of the results reached by our former reasoning.

The increased prosperity that would result to the agricultural class through free trade with the United States, would at once react upon the villages, towns and cities of the country. The retailers would do a more prosperous business by reason of the enlarged purchasing powers of the farmers, and in turn they would do a larger and more profitable business with the wholesalers and manufacturers. Toronto being the chief retail, wholesale and manufacturing centre of the Province, would receive the largest share of this increased prosperity.

In my business as a real estate broker, I have found that the retired farmer constitutes a very important element in the growth of Toronto in population and wealth. He comes here with his family and his money because of the superior advantages Toronto offers as a place of residence and as a field for the investment of his capital. He here finds the very best opportunities for the education of his children and for establishing his sons in business. Now, if the farmers are placed in a position to make money more rapidly, it is clear there will be a larger number to retire with a competency and to permanently settle in Toronto.

It is generally admitted that our farm lands rank among the best on this continent. If we can increase the prosperity of our farmers by giving them an equal market with the farmers of the United States, we will at once stop to a large extent the exodus of our young men to that country. It must be admitted that it is the most robust, energetic and intelligent of our young men who now remove to the States. Nor is this any fancy picture. It is estimated that there are to-day living in that country one million native born Canadians, or one to every five persons now resident in the Dominion. But this is not all. By giving our farmers equal advantages to buy and to sell with those of the States, we would be able to attract to this

country a fair share of the enormous immigration which annually comes to this continent. It is estimated that the cleared land in our Province last year amounted to 10,938,471 acres. I am informed by the Bureau of Industries for Ontario that we have in this Province at least twenty millions of acres of additional lands fit for agriculture, or twice as much as is now under cultivation, or nearly two thirds as much as the entire State of New York. These lands are capable of supporting from a million to two millions more people of the agricultural class. Can any one doubt the wonderful impetus that would be given to every industry of Toronto by any such considerable addition to our rural population?

Ontario is one of the richest countries in the world in the extent, variety and quality of her timber. Not only so, but the nature of our climate and soil is such that when one crop is removed, another soon grows up to takes its place. The middle and eastern States have pretty much exhausted their own timber, and, in the future more than in the past, must be largely dependent on the Canadian supply. The United States is our natural market. We shipped them last year \$8,545,406 worth, on which we paid to their revenue a duty of \$2. per thousand. In this case, as with barley, there can be no doubt the exporter pays the American duty. I have it on the written statement of one of the most respected lumber merchants resident in this city, that he has paid to the American revenue since the abrogation of the Reciprocity Treaty in 1866 on the lumber which he has shipped to the States, no less a sum than \$349,067, in itself a handsome fortune that would have been saved to this gentleman and through him to Toronto, if there had been no American tariff upon lumber. The forests of Ontario are admirably located to supply the American market, and if we had free trade with that country, not only would the duty paid on our export be saved to our people, but it would at once become profitable to ship many kinds of lumber for which at present we have no market. Not only so, but by sweeping away the tariff the manufacture of lumber in this country would be greatly stimulated. Toronto is the headquarters of many of our lumbermen and the base of their supplies, and by increasing their prosperity Toronto is directly benefited.

When we speak of the enormous extent of our Province—when we say it exceeds in area by 10,000 square miles, the

States of Ohio, Indiana, Illinois and Michigan put together, or by 78,000 square miles, the total area of Great Britain and Ireland,—we are met with the rejoinder that a large portion of this is barren rock. Be it so, but it so happens that even those barren rocks contain untold millions of wealth of silver, copper, iron and other minerals. Nature has been exceedingly lavish to us. I doubt if there be any country in the world with so large a supply of minerals, so accessible and of so high an average quality. But what good are they to us? Practically none whatever as we are now situated. Why? Because mining to be profitable has to be done on a large scale, and therefore requires a large market and we have too small a market. Speaking of one of these minerals, Mr. Wiman says:—"Of all articles in which Canada is rich by nature and poor by policy, iron takes the lead. While in the United States, the greatest activity prevails in iron, and fortunes are made yearly by its development, we poor unfortunates in Canada make not a dollar. While hundreds of thousands of people are employed in the neighbouring country, in the development of iron in its manufactures, we who are blessed with abundant stores of it, and with every facility for its production, are without a particle of advantage." He then gives us some idea of the extent of the iron industry in the United States, and tells us of eight firms whose employes and their families alone number 200,000 souls, and whose annual output exceeds in value the entire exports of the Dominion. With continental free trade, capital would at once flow into this country, an immediate development of this incalculable wealth would commence, and soon thousands of people would receive employment in mining industries, and Toronto would be the chief base from which these industries would be conducted. Then we would begin to see those tall chimneys of which we have heard so much and seen so little. I take it that Toronto is better located for a successful iron business than is the city of Cleveland, where there is one concern whose output for the current year, it is said, will reach the enormous sum of fifteen millions of dollars. Cleveland is many hundreds of miles distant from its supply of ore, while Toronto is only a few hours distant from inexhaustible stores of the very best quality. The ore would be brought down by rail and dumped at the Humber, or on the Don flats and marshes; vessels and cars would unload at the same docks their cargoes of coal, and would return laden

with ore for the furnaces of New York and Pennsylvania, or with the manufactured article for distribution to the different parts of the continent.

We all know that Toronto is a very popular objective point for excursion parties. During the summer season the debarkation of a train or boat load of American excursionists is almost a daily occurrence, and everyone who comes leaves a considerable sum of money behind him when he departs. The chief obstacle in the way of this kind of very profitable business is the Custom's House nuisance which the excursionist has to face twice, once on entering the country and once on departing from it. I have frequently heard Americans say that they would come more often to Toronto, and to our beautiful Muskoka country for recreation, if it were not for this abominable nuisance. The same thing also interferes with the through traffic by our railways of both freight and passengers.

But it is said that Unrestricted Reciprocity would destroy the wholesale trade of Toronto, or at least damage it to a considerable extent. It is said that our retailers would pass Toronto and buy direct from New York and other large cities in the United States. Well, the larger and more wealthy class of retailers pass Toronto now and buy in Great Britain. I have no doubt this class would to some extent transfer their accounts from Great Britain to New York to the saving of much time and money, but they still would do their sorting trade in Toronto. If New York would ruin or damage the wholesale trade of Toronto under Unrestricted Reciprocity, why does not Montreal accomplish the same result now, or why has she not even dwarfed the growth of that branch of our business? She, like New York, is a seaport and has had all the advantages of large capital, established connections, and priority of occupation of our territory, and yet through our central position, railway facilities and the energy of our business men, already referred to, our wholesale trade has expanded during the last twenty years more rapidly than has that of Montreal. Toronto has crowded out Montreal from that territory naturally tributary to Toronto, and now practically controls it.

The wholesale trade of New York is divided into two sections. The one class does what is known as the package business, that is, sells foreign and domestic goods only by the original package and at a very small margin of profit, and seeks

only for its customers jobbing houses and the larger retailers. The other class does the ordinary jobbing trade, that is, keeps a varied stock and sells to the retailer from each line in quantities as small as will suit his requirements. Our Toronto wholesale trade belongs to the latter class. The tendency in New York is to make this distinction more clearly marked every day and to vastly increase the proportion of the package trade. The tendency throughout the United States is to localize the jobbing trade for each section of the country in the chief city of that section. Hence the enormous growth of the jobbing business in such centres as Cincinnati, Chicago, St. Louis, St. Paul, Kansas City, San Francisco and other places. Even such cities as Rochester, Buffalo, Cleveland and Detroit, where formerly the jobbing trade was very insignificant, are now doing a largely increasing business. As might be expected, the jobbing trade of New York is becoming more localized. The advantages of this system are very apparent. The wholesale men of New York cater for the trade of the entire country and can contract for the entire output of a manufacturer in Europe or in America, and therefore buys at the cheapest possible price. In the case of foreign goods, he keeps them in bond until they are needed, and does not require to be out of pocket even the amount of the duty, till the goods are wanted for shipment. As he sells at the least possible expense of handling and in such large quantities and to the class of traders who pay most promptly, he can afford to do so on the smallest possible margin of profit. The jobber in different parts of the country caters only for the climate and wants of the district immediately about him and has his customer closely under his eye. On the other hand, he does not require to run the risk and expense of contracting for such large quantities of goods so long in advance of his needs, because he can from time to time order from the package merchant in New York and receive the goods in his premises within a week thereafter. He is thus able to do a larger business on the same capital and at much less risk and cost, and therefore at a larger net profit. At the end of the season he need not be stuck with a large stock to depreciate through change of style by the time the next season comes around. Under this system there are jobbers of dry goods in the States who turn their stocks ten times or more in a year, whereas under a different system, some of our largest

jobbers scarcely turn their stock more than three times, and five times is thought to be extraordinary. Again, this system suits the retailer admirably. He is placed in easy distance from the base of his supply, so that he can at small cost make frequent personal selections from stock, and therefore need only carry a minimum amount of goods. Moreover, he goes to a market specially adapted to his requirements and does not run the same risk of having goods of a former season shoved on to him. I therefore conclude that, through free trade with the United States, though our wholesale men would have to change their methods somewhat to suit the new situation, and though they might lose some trade through Buffalo, Detroit, New York and other cities, they would nevertheless be greatly benefited by having their business placed on a more healthy basis, and by having their risks decreased, and by having an increased probability of profit on their turn over, and, moreover, I claim that the loss of some customers would be more than compensated for by the increased purchasing power of those who remained, and by the vast additions to our population which would certainly follow.

Again, Toronto has very considerable manufacturing interests which it is claimed would be seriously damaged, if not utterly ruined, by the adoption of free trade with the United States. It is said that the extensive, long established and wealthy manufacturers of the Eastern States would flood this country with their cheap productions, and that our manufacturers could not compete with them. I believe it to be quite true that our people would in most lines get a better article for much less money, and this is one of the reasons why we contend for the adoption of this principle, but that our manufacturing interests would be destroyed I do not believe. On the contrary, I claim that they would be at once stimulated into a more vigorous and healthy growth. We would have a market as broad as have the Eastern States, and an enlarged market is the very thing we need and must have, if we ever hope to become a manufacturing country to any considerable extent. It is a well known fact that at present, on account of the smallness of our market, in many lines there is hardly room for a single concern to achieve the best results, and in others, two or three will fill the bill, and then they are in mortal terror lest another should be started and ruin them by over-production. In the

event of the other being established, a combination will probably follow to keep down production and to maintain prices. This is an unhealthy state of things, tending to prevent development and to dwarf enterprise. If we could not hold our own against the manufacturer of the East, how comes it that the Central and Western States not only do so, but are beating the East almost two to one in the ratio of the increase of their products. From 1860-70, the ratio of increase for Massachusetts, New York and Pennsylvania was 77 per cent., and for Ohio, Michigan and Illinois, 124 per cent; from 1870-80, for the former 50 per cent., and for the latter 92 per cent. And it must be remembered that we would start in the competition much better prepared for it than were those Western States at the beginning of the period mentioned. How comes it that even the State of Michigan, a much younger country than our Province, is leaving us out of sight in the manufacturing race, notwithstanding the fact that she has to meet the freest competition of the wealthy and long established manufacturers of the East. The ratio of increase in the value of productions in Ontario for the period 1871-81 was, according to the calculation of our Secretary, Mr. Thomas Shaw, only 38 per cent., whereas in Michigan it was 50 per cent., in Ohio 61 per cent., and in Illinois 152 per cent. I have discussed this subject with many of our manufacturers, and I find that the larger, the more intelligent and the more enterprising of them say, that they do not fear American competition when placed on an equal footing, as they would be by the adoption of the principles for which we contend. They say that of course their methods would have to be somewhat changed to meet the new situation, but that an enlarged market is exactly what they want and must have. Men possessing ambition and courage, such as I am proud to believe our citizens do to as large an extent as any people in the world, desire to be placed in a position of the largest opportunities, and are then willing to trust to themselves for the result.

But it is not only the existing establishments that we have to consider. We believe that continental free trade would lead to a great influx of capital to this country and to the establishment of not only many new factories in lines already existing, but also in many others in which at present we do nothing whatever. We believe that Toronto particularly, as she has special advantages of high order, would soon become

one of the important manufacturing centres of the continent. Her climate is most suitable. Her position is central, and her shipping facilities to the east, to the west, to the south and to the north, are most excellent. Labour is abundant and can be had at a reasonable price. Three-fourths of all the kinds of raw materials used by American manufacturers we have in inexhaustible supplies at our very door.

We, Torontonians, often boast of the prosperity of our city, and well we may, for it is the most prosperous community in the Dominion. We claim that we have special trade advantages not possessed by such border cities as Detroit, Cleveland and Buffalo. So we have. But when I visit those cities I see evidences of a prosperity greater than that which we possess. I find that their ratio of increase of population exceeds our own, and that the indications of wealth are greater and more abundant than they are with us. There is no safer barometer that I know of with which to measure the prosperity of a city than the prevailing price of residential land. The highest price ever paid for residential land in Toronto is \$130 per foot. In Detroit, I have it on the authority of its Mayor, residential land reaches \$400 per foot, 200 feet deep; and in Cleveland, \$1,000 per foot three hundred feet deep and upwards; and in Buffalo, \$500 per foot. I inquire the cause of this great difference—a difference greater than their excess of population would indicate—and the only one I can find is that they trade with sixty-one millions of people, while we trade with less than five millions. We ask, therefore, that we may be placed on equal footing with them by being admitted to the free and uninterrupted trade of the continent, a destiny that I maintain is clearly indicated by geography, race, language, similarity of institutions, and the sacredness of religion. Did it ever strike you that we are more closely related by blood with the people of the United States than with any other people on the face of the globe? In 1881, of our total population, 3,715,492, or 86 per cent., were native born; and only 609,318, or 14 per cent., foreign born; and there were then resident in the United States 750,000 native born Canadians, or a number of our sons and daughters, brothers and sisters, equal to over 17 per cent. of our total population, or 141,000 more than all the foreign population then living in the Dominion.

I imagine I already see the man with the loyalist fad pointing his finger of scorn at me, for he is super-sensitive, not because of his extreme attachment to good old England, but because he thinks his petted and pampered industry is in danger, and in his utter dearth of argument he resorts to ridicule. I would tell such an one that I am a native born Canadian, that I have a stake in this country, that I expect to live and die in it, that I prize as much and desire as fervently as he to maintain our connection with the Mother Country, that I have as genuine a love as he, and perhaps a more genuine love, for the old flag that "has braved a thousand years the battle and the breeze." No Englishman expects or desires that our loyalty should utterly dwarf our patriotism, or should lead us to sacrifice the interests of our children and sell our birthright. England will never say one word to interfere with the working out of our own destiny in our own way, nor impose a single barrier to that which we conceive to be in our interests, in the matter of what is merely a trade policy.

We have a country vast in extent, rich in natural resources ; and a city beautiful for situation, famed for the enterprise and intelligence of her people, for the beneficence of her institutions, for her comparative freedom from vice, for her observance of the Sabbath, for her obedience to the law of God and man. All we ask is a fair field and no favour. With this fair and open field we shall then be willing to abide the operation of Nature's inexorable law, "The survival of the fittest."

THE EFFECT OF COMMERCIAL UNION ON OUR RELATIONS WITH GREAT BRITAIN.

BY MR. W. H. LOCKHART GORDON.

In order thoroughly to understand this question it is necessary first to examine and to try to explain what is really intended by those who are now supporting what has been styled the "Commercial Union" movement. It is not the intention in any respect to form a union of any kind with the United States. Our sole and only object is to break down the barrier that now exists between the two countries for free and unrestricted trade. We believe that, as there are many millions of people on this continent, some of whom are our own flesh and blood, speaking the same language, using the same articles, carrying on similar businesses and with the same ideas of liberty and freedom, there should be no statutory line or barrier which would prevent all these people trading in the most free and unrestricted manner with each other. We believe also that it is in our interests and in the interests of Great Britain to remove as far as possible by a commercial arrangement with the United States,—and such an arrangement would be equitable and just to all the contracting parties,—all the difficulties that exist between us and this great nation, and thus prevent for all time to come anything occurring that may create any friction in the friendly relations that now exist between us. To accomplish this, however, it is not necessary that there should be any union with the United States. A union with the United States is no more necessary to enable our farmers, our lumbermen, our manufacturers, to sell their goods and wares in the United States than there is necessity for union between our merchants in Toronto and Hamilton before they can trade with each other. The reason why those who first took up this question styled it "Commercial Union" with the United States, I understand, was that they wished to make it clear that any negotiations that might be entered into with the United States Government as to the tariff was simply a com-

mercial arrangement, and not a political arrangement. The object of the term "commercial union" was to show that the arrangement, if any, was simply a commercial one and not a political one.

THE DISLOYALTY CRY.

But it is said by our opponents that we have no right to desire to extend our trade with the United States—that such an arrangement would show disloyalty to the British Crown; that we can only extend our trade relations with the United States to the injury of the British manufacturer, and that being the case our first duty is to look to the interests of the British manufacturer irrespective of our own interests, and to ignore any advantage that we might gain by this extended trade. We are asked practically to acknowledge that this nation of Canada was simply brought into existence in the interest and for the benefit of the British manufacturer; and that however much we might benefit ourselves by looking round and finding others to whom we could sell and from whom we could buy with greater advantage, yet, inasmuch as we originally came from Great Britain and are at present a part of the British Empire and are subject to British laws and British customs, therefore we must not, under peril of being called disloyal, improve our position to the great extent to which we believe it will improve that position by trading with a nation to the south of us which has abundance of wealth and sixty millions of people.

I can scarcely believe that those who raise the disloyalty cry can seriously have examined the question. I cannot understand how any seriously-minded person can argue that we Canadians with a population of about five millions, occupying the second largest country in the world; rich beyond imagination in natural resources and full of enterprise, are to be kept back and retarded in our progress for the sake of a few manufacturers living in the Mother Country, three thousand miles away. When I tell you that the total amount of manufactures imported into this country from Great Britain last year was under \$40,000,000: that the profit on this to the manufacturer was probably not more than ten per cent., or \$4,000,000, and that even if under Commercial Union for the time being a certain proportion of this profit should be lost to the British manufacturer, you can easily see how absurd the contention is that

the prosperity of this country and of this people should be sacrificed for the benefit of these few manufacturers.

THE BRITISH MANUFACTURER.

Any movement which must bring about an extended trade between this country and the United States is not likely to interfere with any other branch of trade in the Mother Country except those connected with her manufactures, unless it be argued that Canada has been brought into the world not only to buy from the Mother Country, but also to sell to her. It seems to me inconsistent for our opponents to argue that we must do nothing that will prevent the British manufacturer sending his goods into Canada to be purchased here, unless they also argue that we are bound to sell all we produce to the Mother Country. Surely if it is our bounden duty to purchase from the British manufacturer it must also be our bounden duty to sell our surplus produce to the British public. Why they should contend that we should do nothing that would prevent the British manufacturer selling to us, and do not at the same time assert his exclusive right to buy from us I cannot understand. It must be evident to everyone that every bushel of barley and every barrel of apples, every stick of timber and every pound of meat we sell to our neighbours across the water must leave us so much less to sell in the markets of Great Britain, thereby enhancing to a certain extent the price that the English consumer has to pay for these several commodities. If, therefore, the argument is good in the one case it surely must be good in the other.

But, gentlemen, the reason why our opponents object to our entering into any arrangement with the United States that might for a limited time raise the duties against the English manufacturer is not that they really believe we are disloyal, not that they really think we are desirous of doing something to the prejudice of the British Crown and nation, but because they themselves are interested in keeping American manufactures from coming into this country. If you get to the root and core of the matter you will find that this cry is being raised by those who are either themselves manufacturers or have been interested in promoting this questionable policy, which, in my opinion, is now beginning to do so much to drive

our people out of the country, and to injure Canada in every province. If, instead of unrestricted reciprocity with the United States, we were to advocate free trade in all its branches which would admit the products of English manufacture as well as those of American manufacture free of duty, we should hear nothing of this disloyalty cry as far as it relates to Great Britain, but the cry we should then hear would be disloyalty to Canada. Canada, which has sunk so many millions in building up these manufactures and in carrying out this National Policy, we would then be told, was disloyal to herself; we should hear very little of disloyalty to the British Crown; but our friends are astute enough and clever enough to keep themselves and their interests for the present in the background, and to use the cry of disloyalty to the Mother Country as the cat's-paw which they hope will draw them out of the fire.

ACTION OF THE BRITISH GOVERNMENT.

I do not believe, gentlemen, that if this matter were properly represented to the British Government and the British people they would for a moment object to any arrangement that Canada might be able to make with the United States or with any other country that could be shown without doubt to be greatly to her interests. Let us look at the present position of affairs. The British Government have already recognized the right of the Canadian Government to impose such duties on goods coming into Canada from Great Britain as she thought expedient and necessary. It is true that some years ago the question of the tariff was one of the questions that the Governor-General of Canada had power to look into, but it is well known that since the Governor-Generalship of Lord Lorne the British Government have recognized the right of the Canadian Government to impose such duties on all commodities as it thinks necessary. The present Government of Sir John Macdonald in the year 1879 raised the duties on nearly all imports by a very great amount. There was a considerable outcry at the time. The matter came before the Home Government, and the British manufacturers and merchants who then complained were told that Canada had a perfect right to impose any duties that she thought necessary in the interests of her own people. It was said at that time that this duty was imposed by Sir

John Macdonald's Government more by way of retaliation and to bring about unrestricted reciprocity with the United States than for revenue purposes. If this is the case (and undoubtedly there is good reason to suppose it to be so), I would ask how it now lies in the mouth of those who are opposing us, and who are mostly advocates of the policy inaugurated by Sir John Macdonald's Government in the year 1879, to raise this disloyalty cry which they are now relying on. Last year again Sir Charles Tupper, much to the chagrin and annoyance of the iron manufacturers in the Old Country, raised the duty on iron considerably. When protests were made to the British Government the same reply was given as before.

Now, sirs, I fail to see how a party which has inaugurated the system of taxes on British imports, and has increased those taxes more than once to the great annoyance and detriment of the British manufacturer, can honestly turn round upon us who are advocating a movement which will greatly increase the wealth and prosperity of this great country, and argue that we are disloyal. It looks very much as if these gentlemen had adopted the well-known rule used by skilful advocates when they have a bad case, viz., to ignore the facts and merits of the case and abuse the other side. If in 1879 it was right and proper to impose heavier duties on imports from Great Britain, either to bring about unrestricted reciprocity with the United States or in the interests of Canada, surely it cannot be wrong in 1887 to increase these duties somewhat if it becomes necessary to do so in order to accomplish this great object. If it is disloyal to do this now, surely it must have been disloyal to do it in 1879. Nothing has happened since then to make what was not disloyal in 1879 disloyal in 1888.

MORE MONEY AND MORE PEOPLE WANTED.

But, gentlemen, I will show you that it is in the interests of Great Britain that we should have closer trade relations with the United States. I have just stated that Canada is the second largest country in the world, but poor in money and poor in people. What we want is more money and more people. Our friends to the south of us have more money than they know how to use. They have sixty millions of live and active people, who from morning till night are seeking new

channels by which to increase their wealth. Is it very much to suppose that when we are in a position to point out to those people the value of our mines, the value of our timber forests, the value of our fisheries and our wheat lands, and that these can be worked by them with their own money and free from Customs duties and other senseless impositions, that a large number of these people and a large amount of their money will soon find its way into Canada? It is said that history repeats itself, and if we believe this to be the case we have only to look back to what took place between the years 1854 and 1866, when we had reciprocity in natural products with the United States. During that period the business transacted between the two countries increased from \$20,000,000 to over \$84,000,000 per annum. The dissatisfaction, the dulness of the business, the dismay in people's minds that existed previous to 1854 rapidly disappeared during this happy period. Canada never was more prosperous, never was more happy; and we think, therefore, that we are not too sanguine when we suppose that if all trade barriers were removed between us and the United States a tremendous impetus would be given at once to all the various branches of trade. I mentioned that the interest of the British manufacturer in Canada was about \$40,000,000 per annum. You will perhaps be surprised when I tell you that the interest of the British nation as investors in our mortgages, in our railways, in our municipal debentures, in our timber lands, in our ranch properties and other things, is over \$600,000,000. Now it must readily be seen that whatever directly benefits this country must indirectly benefit these investors. If trade increases the dividends paid by our railways to the British investor must improve. If the farmers' condition improves the interest paid to the British investor on his mortgages will come in more regularly. The money placed by the British investor in our mines and ranch properties must bring in a better return. I say, therefore, without fear of contradiction, that inasmuch as the policy we are proposing will benefit such a large number of English investors, and will injure only to a small extent and for a short period the British manufacturer, it is in the interests of Great Britain that our proposals should be carried out. I wish you to understand that I think the British manufacturer will only temporarily be prejudiced by this movement, for I am satisfied that as Canada increases in

wealth, and as the national debt of the United States decreases in amount, and the tariff as a natural consequence is lowered, that a larger quantity of British goods will be consumed both in Canada and the United States, and that ultimately the tariff, which for the time being may be slightly increased, will be eventually reduced to below what it is at the present time.

STRENGTHENING THE EMPIRE.

Again, by improving the prosperity and increasing the wealth of the country we are strengthening the whole of the British Empire. We are keeping our young men in Canada who otherwise will leave. At the present time it is said that there are more than a million Canadians in the United States, and that this number is increasing year by year. For years past a large number of the surplus population of Great Britain has emigrated to the United States; a very small number to Canada. Why is this? The reason is surely to be found in the fact that the one is a prosperous country, the other a poor country. Can it be argued by those who are raising the disloyalty cry that any Englishman, when he has the choice of emigrating to two countries, one of them being under the British Crown, and the other a foreign country, would choose a foreign country unless there was some good reason for doing so? I believe that as soon as you can show the British emigrant that prosperity has returned to the shores of Canada and that he can do as well here as he can in the United States, a very large proportion of those who are annually lost to the British nation will come and settle in Canada and continue to be good and loyal subjects of the British Crown. In this matter alone, therefore, of keeping our young men in Canada, and of attracting to our shores the able-bodied, intelligent emigrant, who otherwise would give up allegiance to the British Crown when he goes to reside in the United States, I believe we are advocating a course that is greatly in the interests of the whole Empire.

But it is said that this movement will lead to annexation. Our opponents say that Commercial Union is "annexation in disguise. Loyal as you may be in your intentions it cannot fail eventually to bring about annexation." Now, sir, I may say here that if I thought that this was to be the result of

Commercial Union I should have nothing to do with it. As you know, I was born in Great Britain, and am not a native of Canada, although I am proud to say that I have adopted Canada as my country. There is no one who is more strongly attached or has more loyal feelings towards the Mother Country than I have; and one of the principal reasons I have in advocating this movement is that I believe that unless we can improve our position by extending our trade and getting more capital and more people into the country, the time is not far distant when we would be compelled to go to our friends across the water, suing *in forma pauperis*, and requesting them to make some arrangement to help us. From all parts of the country I hear the cry of distress. I am told on all sides that there is scarcely a business in Canada at the present time that is more than paying expenses. The farmer finds it impossible to make both ends meet. The manufacturer, who is paying heavy interest on unproductive capital sunk in his buildings and machinery, has to charge exorbitant prices to the poor consumer. Manitoba and the North-West, which was to have been such a bonanza to the whole Dominion, has instead turned out to be a tremendously heavy weight. With a debt of \$225,000,000 hanging over our heads, largely incurred to build the Canadian Pacific R'y, which, practically, is of little benefit to more than two cities in Canada east of Winnipeg; with a *per capita* debt of over \$44 for each Canadian; with dissatisfaction in the Maritime Provinces, so pronounced that on more than one occasion Nova Scotia has declared its intention to leave Confederation; with ill-feeling in Manitoba, amounting almost to rebellion, in consequence of that province being refused direct communication with the sixty million people south of them; with the public press, which is supposed to re-echo the sentiments of the people, stating, as did the *Emerson International* on the 21st of July last, that "the opposition to free channels of trade is rapidly engendering a strong and wide-spread feeling in favor of annexation," I think there can be little doubt that unless something is done to remedy this terrible state of affairs we are fast

DRIFTING TOWARDS ANNEXATION

to the United States. I believe, sir, that if we can assure continental free trade or unrestricted reciprocity with the United

States that with the returning prosperity which will come to this country, and the satisfaction we shall experience in seeing our valuable natural resources turned to the best account, we shall be so satisfied with our position that we shall scout any idea of change in our political relations and continue a loyal and prosperous part of the Queen's domain. I am confirmed in this view of the question by the fact that many of the advocates of annexation are opposing the movement because they agree with me in thinking that if we got Commercial Union annexation would be indefinitely postponed. In support of this view I may refer you to the remarks of the *Globe* of St. John, New Brunswick, in its issue of 30th July last, where it said, "possibly the effect of Commercial Union would be to retard the progress of any annexation sentiment which is based on mere material considerations, inasmuch as these considerations would be satisfied by Commercial Union. The more ardent annexationists may therefore be expected to look with indifference upon it, if they do not really oppose that Union since it will not satisfy their aspirations." Gentlemen, these are strong words, but none the less true; and I hold it to be the duty of every Canadian who is loyal to his own country, who is loyal to this great Dominion, who is loyal to the British Crown, to examine carefully these signs of the times, and try to find some remedy for this grave dissatisfaction which is cropping up in so many different parts of the Dominion. If we wish to retain the several provinces in Confederation we must satisfy the people not by giving them better terms in the shape of periodical grants of money, but by some broad substantial commercial policy that will bring back life and prosperity to the hearths and firesides of each of the people. Our Government have on several occasions recognized the importance of extending our commercial relations, and have taken to themselves considerable credit for making and attempting to make commercial arrangements with several foreign countries such as France, Spain, the West Indies, the Argentine Republic, etc. Why, I would ask, is it necessary to go all over the world seeking people to trade with whose laws, customs and languages are different from our own when we have within a few hundred miles of every part of Canada a people sixty millions in number ready and willing to trade with us, who speak the same language, and have laws and customs very similar to

our own, and many of whom, as I have already pointed out, are related to us by flesh and blood ?

A SIMPLE MATTER OF ARRANGEMENT.

But it is said that in order to have free trade on this continent it would be necessary for us to surrender our independence to the United States, for this can only be brought about when our tariffs have been fixed and settled for us at Washington. This argument seems to be absurd. If the argument were sound, every time we open negotiations with the West Indies, the Argentine Republic, or any other small States we are offering to surrender to these States our independence in order to bring about the arrangement sought for. The question of tariff between two countries is simply a matter of arrangement between the two contracting parties for a fixed period or until notice of the termination of the arrangement by one of the contracting parties, and as each contracting party has an equal voice in the negotiations leading up to the arrangement I cannot see how any tariff fixed in this way can be said to be a surrender of our independence. Again, I would ask, did we surrender our independence to the United States when we entered into an arrangement with them for limited reciprocity in the year 1854, and which arrangement I believe discriminated to some extent against some kinds of British manufactures ? If under that arrangement we retained our independence what is to prevent our doing so under an arrangement for more extended reciprocity ?

DISLOYALTY A BUGBEAR.

Gentlemen, it is by arguments of this kind, and having as little truth and force in them as this one, that our opponents have been trying to influence the country against this movement. I have carefully examined and read everything I could find that has been said or written on this great question, and I cannot say that I have found any argument brought forth by our opponents that we are not able satisfactorily to answer. This disloyalty cry in my opinion has nothing in it ; it is a bugbear got up by our opponents to frighten the timid, and to divert those who are wavering from the real question in order to prevent the merits being examined into. If the question of

disloyalty comes up at all it is a far more grave one than our opponents would wish to make it. It is not a simple question of the effect of this movement on our relations to the Mother Country, but it is a question of our loyalty to ourselves. If we wish Confederation to hold together ; if we wish to have peace and prosperity in our midst ; if we wish this Canada of ours to flourish, to remain an integral portion of the Queen's domain, we must look the present state of affairs fairly and squarely in the face, and at once devise some means of restoring contentment, happiness and prosperity to this great country ; and I say that that can only be done by entering into the only arrangements that our natural position points out to us to be the right and proper one, and that is to break down all barriers of trade on this vast continent and bring about as soon as possible continental free trade.

THE QUESTION SUMMED UP.

To sum up then, an equitable and just commercial arrangement with the United States bringing about unrestricted reciprocity between the two countries, would affect our relations with Great Britain, as follows : First, it would greatly increase our prosperity in Canada, and by so doing would largely benefit the \$600,000,000 of British capital invested here ; secondly, after a short time it would in consequence of the increased demand for manufactures, and the lowering of the tariff at present existing in the United States, considerably benefit the British manufacturer ; thirdly, it would open up fresh fields for the investment of British capital from the new enterprises that would spring up in Canada ; fourthly, it would turn the tide of emigration for the best class of British emigrants from the United States to the great wheat district of the North-West of Canada ; fifthly, it would establish Confederation on a firm basis, and so assure Canada remaining an integral part of the Queen's domain ; and sixthly, it would remove all cause of friction between ourselves, Great Britain and the United States, and thus place millions of English-speaking people on this continent on a friendly footing for all time to come ; and having accomplished all these things I think it will be acknowledged that Commercial Union will be of inestimable benefit not only to Canada, but also to the people of Great Britain.

CURRENT OBJECTIONS TO COMMERCIAL UNION CONSIDERED.

BY THE HON. J. W. LONGLEY,

Attorney-General of Nova Scotia, Halifax.

There is nothing in the consideration of Commercial Union with the United States which involves the questions of Free Trade and Protection in the abstract. Both the Free Trader and the Protectionist can consistently support it; the latter, because it is contemplated that North America should have a common and high tariff against the rest of the world; the former, because unrestricted trade over a whole, great, and prosperous continent is an enormous step in the direction of Free Trade. Personally, I would regard absolute Free Trade as a better solution of our difficulties. But this seems not to be a practical question at the present moment. The most sanguine public man would despair of being able to induce the Canadian people to accept the broad doctrine of commercial freedom, and a revenue derived chiefly from direct taxation. This solution then having to be rejected for a time, it remains to be seen what is the best practicable course for us to take.

The theory upon which the advocacy of Commercial Union is based is that our present condition of affairs is intolerable and cannot last. The opposition to it goes upon the assumption that everything is all right in Canada, that the National Policy of Sir John Macdonald is working well, and that all parts of Canada are not only prosperous but contented. This is denied in the clearest and most emphatic manner.

Granting, for the moment, that under ordinary circumstances the National Policy is sound—in other words, that in a new country like Canada it is the true policy to build up domestic industries by imposing high tariffs against the products and manufactures of older countries, still, upon a careful examination into the peculiar circumstances of our position, it must strike any mind that is not prejudiced or dull, that such a policy is simple madness, and must sooner or later col-

lapse. A political union of the several Provinces of British North America was effected in 1867, but not a commercial union, and the twenty years that have elapsed have served only to demonstrate how utterly impossible a commercial union between the several Provinces is.

INTER-PROVINCIAL TRADE A FAILURE.

I take the solid ground that naturally there is no trade between Ontario and the Maritime Provinces whatsoever. Without the aid or compulsion of tariffs scarcely a single article produced in Ontario would ever seek or find a market in Nova Scotia, or the other Maritime Provinces; in like manner, unless under similar compulsion, not a product of the Maritime Provinces would ever go to Ontario. Twenty years of political union and nine years of an inexorable protective policy designed to compel inter-Provincial trade have been powerless to create any large trade between these two sections, and what it has created has been unnatural, unhealthy, and consequently profitless.

To illustrate: Ontario sends about \$7,000,000 worth of barley to the United States, and pays fifteen cents per bushel duty on it. How much does she send to the Maritime Provinces? She sends an equal value of the products of the forest to the United States, and pays heavy duties upon it. How much to the Maritime Provinces with no duties? She sends over \$4,000,000 worth of animals and their produce to the United States with heavy duties. How much to the Maritime Provinces? Let us reverse the picture. Nova Scotia sends nearly \$2,000,000 worth of fish to the United States. How much to Ontario? She sends of the produce of her mines \$600,000 to the United States, and pays large duties. How much to Ontario with no duties? She sends \$500,000 worth of agricultural products to the United States, and pays heavy duties. How much to Ontario? She sends some hundreds of thousands of dollars' worth of produce of the forest to the United States, and pays heavy duties. How much to Ontario?

Of the genuine natural products Nova Scotia sends practically nothing to Ontario. If the exports from Nova Scotia to Ontario are carefully studied, it will be found that they consist chiefly of refined sugar and manufactured cotton, the product of

two mushroom industries called into existence by the protective system, and which do not affect one way or another the interests of five hundred individuals in the entire Province of Nova Scotia.

Does any one ask why this state of things exists ? The answer is simple. God and nature never designed a trade between Ontario and the Maritime Provinces. If I have a barrel or ton of any commodity produced in Nova Scotia, and I desired to send it to Toronto or Hamilton, the cost of sending it thither would (unless it were gold) probably be more than the value of the commodity. But I can at any moment put it on board of one of the numerous vessels or steamers which are daily leaving every port in Nova Scotia for Boston, and send it to that city for 20 or 30 cents. If I desired to go to Toronto or Hamilton to sell it, I should have to mortgage my farm to pay the cost of the trip, whereas I can go to Boston and back for a few dollars.

Will some one be good enough to explain how it happens after all the boasted results of the National Policy, after the glorification we hear in the party press when a car load of sugar leaves Halifax for Ontario, that at this moment all the trade relations and all the social relations of Nova Scotia are with the New England States, and all the trade relations and all the social relations of Ontario are with the people of New York, Chicago, Buffalo, Cleveland, Detroit, and other large American cities ? How happens it that Manitoba, where millions of the people's money have been lavished in the attempt to engraft a mad system of forced inter-Provincial trade upon the Northwest, is to-day on the brink of insurrection—over what ? Simply the right to have railway connection with the United States. Sir John Macdonald and the Canadian Parliament have decreed that the people of Manitoba shall sell their wheat in Montreal or Toronto, and trade with Ontario and Quebec. God and Nature have decreed that they shall sell their wheat in and trade with St. Paul, Minneapolis and other contiguous western cities. Whose decrees are most likely based upon wisdom, and which are most certain to prevail ? Will some enthusiastic advocate of the present system please rise and explain why, after twenty years of Confederation, a Nova Scotian is never seen in Ontario except as a traveller or a delegate to some denominational convention ; and why, with the exception

of the "drummer" an Ontario man is as great a curiosity in Nova Scotia as a South Sea Islander? There must be something generally wrong with a system which, after twenty years of enthusiastic gush over the Confederation and the building of a National sentiment, has for its product complete isolation between the several Provinces; which sees the merchants of the Maritime Provinces making constant visits in the way of trade to Boston and New York, and none to Toronto; which sees the business men of Ontario going daily backward and forward between that Province and the American cities about them, and coming to Halifax in the way of business once in a century. In all seriousness is there not material in these facts—undoubted facts—to cause sensible men to reflect upon the prosperity and permanence of the existing conditions of things in Canada?

If any moral can be gathered from the incidents already referred to, it is this: That the Maritime Provinces have no natural or healthy trade with the Upper Provinces, but with the New England States; that the Upper Provinces have no natural trade with the Maritime Provinces, but with the Central and Western States adjoining them; that Manitoba has no natural trade with the larger Provinces of Canada, but with the Western States to the south of her; that British Columbia has no trade with any part of Canada, but with California and the Pacific States. In other words, that inter-Provincial trade is unnatural, forced, and profitless, while there is a natural and profitable trade at our very doors open and available to us. Does not this suggest Commercial Union with the United States as the supreme solution of our present difficulties in tones so clear, so unmistakable as to be apparent to the dullest? The remedy is simple: strike down the unnatural and absurd barriers between this country and the United States, and let trade flow freely in its natural channels from the Atlantic to the Pacific.

DIFFICULTIES AND OBJECTIONS CONSIDERED.

Having stated the general principles which seem to make a Commercial Union extending over the continent natural and desirable, it remains to deal with some of the objections which have been taken to this policy. They may be summarized briefly as follows: First—It will lead to Annexation or political

union. Second—It will be injurious to the manufacturing industries of Canada. Third—It is impracticable; inasmuch as it is impossible to frame a common tariff satisfactory to both countries; and if this were done in the first instance how is this common tariff to be changed from time to time to suit the exigencies of either country? Fourth—It will tend to separate Canada from her connection with the Empire. These are the chief objections urged against the scheme, so far as I have heard them, and it is proposed to deal with each.

First—It will lead to Annexation. This must be considered from two standpoints—that of those who are rigidly opposed to political union with the United States, and those who are not. Belonging to the latter class, and believing firmly that the interests of the Dominion of Canada are more identified with the continent of America than with any portion of the world, this bugbear has no terrors for me; nor would I, and many others who believe with me, resist Commercial Union, if satisfied that the material prosperity of the country were bound up in it, for mere sentimental considerations. But it is for the benefit of those who, for some reasons which are not very clearly defined, have an instinctive horror of political union with their English-speaking brethren on this continent, that the objection is now to be considered.

The onus is upon those making this objection to establish their point. It is sufficient in answer merely to deny the fact and call for the proof. The facts of history are against any such theory. The period when the Annexation sentiment was strongest in Canada was just preceding the Reciprocity Treaty of 1854. The advantages of trade with the United States were then deeply felt by the masses of our people and large numbers at that time believed that the only way to master the evils under which we were then labouring was to seek union with the States. The public men of the other provinces joined in a movement in this direction, and Annexation was a more vital question in Old Canada than in the Maritime Provinces. But the treaty of 1854 put an end to this feeling. As soon as our people secured the advantages of free access to the American markets for their staple products content followed, and all mention of Annexation ceased. The Treaty terminated in 1866. The next year the Dominion was created, and a noble effort has been made by our people to substitute a national life,

or policy, in place of American trade. If the conditions were favourable the struggle would be worthy of our best endeavours. But I aimed to show in the former article that it could not be done, the geographical difficulties are overwhelming and permanent. And to-day we find arising in the several sections of this Dominion the same feeling of discontent, and the people seeking the same natural remedy—trade with the United States. It is fair and reasonable to conclude that the advent of a policy of unrestricted trade with the United States would put an end to this discontent, and allay any growing tendency to seek relief by political union with our great neighbour. But it is not necessary to be sophistical on this point. A ready and conclusive answer to those who croak of Annexation is at hand. The question comes right down to this: Are the Canadian people afraid of themselves? None of us have much fear of conquest, or a forced union with the United States; therefore, if Canada ever becomes a part of the American Union it will be because a majority of the Canadian people want it. When that period arrives what is to be done? Shall not the will of the majority prevail? With or without Commercial Union, Annexation will never take place unless a majority of Canadians want it and vote for it. What, then, need we fear? Is it said that Commercial Union will hasten the desire in this direction? Why? Only in one way—by making the advantages more apparent. Would this be a disaster? Let us all console ourselves by this thought, in this and in all other important matters connected with our destinies,—the will of the Canadian people will be supreme. If now and evermore the great mass of people are inexorably hostile to political union with the States, then they have nothing to fear, either under Commercial Union or without it. If, on the other hand, it is a good thing, and would tend to advance our interests, then the sooner it comes the better. Let us not be afraid of ourselves.

Second—It will injure the young manufacturing industries of Canada. If this objection is well founded it is a disagreeable confession. It either means that our manufactures are of mushroom growth, and highly artificial, or that we are not equal to our confrères in this important field of labour. I reject both theories. Some industries have been forced into an unnatural existence by means of an unsound trade policy. The collapse

of these will not be a national calamity. But there are industries in Canada which are able to compete with the continent, and which would be vastly strengthened and enlarged by opening to them the markets of sixty millions of people. The effect of the Reciprocity Treaty of 1854 was not to depress the manufacturing industries of Canada, nor has any one a right to presume that unrestricted trade with the continent would have any such effect. However, it may be admitted that the immediate effect of Commercial Union will be to injure some few of the manufacturing industries of Canada, but the other side of the case must also be considered. Manufactures ultimately adjust themselves according to facilities, and no one can doubt that Canada offers facilities which will attract to this country American capital and American enterprise the instant that an enlarged market is assured. Take the iron industry of Nova Scotia. From Pennsylvania to the North Pole, so far as we know at present, the condition of coal and iron lying side by side does not exist in America, save in Nova Scotia. For years past the National Policy has done its best to foster the iron industry in Nova Scotia. Large duties have been imposed upon imported iron. Then came a bounty of \$1.50 per ton on pig. Then special rates over the Intercolonial Railway for coal and coke. Yet with all this nursing the Londonderry Iron Works of Nova Scotia have never thrived, and the Steel Company of Canada is now in liquidation. But who doubts for a moment that in the day that the markets of the whole continent are thrown open large iron works will spring up by the agency of American capital in the counties of Pictou and Cape Breton, where coke can be obtained at the very works themselves at \$1.50 or \$2 per ton? This only serves as an illustration of many other industries which would boom at once as soon as a natural and unlimited market was available. But it must not be forgotten that while manufactures are an exceedingly important factor in the national prosperity they must not be allowed to overshadow all other interests. It would not be wise to sacrifice all other industries for the sole benefit of a handful of manufacturers. Is it nothing that Commercial Union will double the profits of the farmer, who represents nearly fifty per cent. of the entire population? Are we not to regard the interests of the lumberman, the fisherman, the ship-builder, the miner? Are we to ignore forever all the inexora-

ble laws of trade? Must everything give way to play the game of the petted manufacturer? Surely every reasonable person will answer, No! But we have yet to find any man in Canada who has addressed himself to the task of proving that in the aggregate the manufacturing class in this country would suffer by having opened to them in a day the markets of the greatest industrial and consuming nation in the world.

DIFFICULTY IN ADJUSTING A COMMON TARIFF.

The third objection taken to the scheme of Commercial Union is the most difficult to deal with. It is that it would be impracticable for two independent nations to adjust a common tariff satisfactory to both. It is argued that the revenue necessities of each might differ, and a tariff which produced enough revenue for one of them might not produce enough for the other. And even if a satisfactory adjustment was made in the first instance, in the course of time the exigencies of either might require an increase or a reduction, and that infinite difficulties would stand in the way of a readjustment. These are substantial difficulties, and need to be looked into carefully.

It will be kept in mind that this objection is one in form, not in substance. It is a mere matter of detail. If it can be successfully shown that the result of Commercial Union would be to double the wealth of Canada in five years, it is not likely the Canadian people would be daunted by any mere difficulties of detail. But the objection is a practical one, and merits consideration. Granted that Commercial Union is a good thing, how is the scheme to be worked out?

This very difficulty suggests the folly of tariffs of all kinds. Who can doubt that the world would be better and the whole human race be brought nearer to the realisation of a common brotherhood if there were no such things as Custom-houses? Who also will undertake to controvert the fact that tariff revenues are the foundation of national extravagance and official jobbery? It is a vulgar impression that a revenue collected through the Custom-house and excise departments is not a tax at all, and that consequently the more revenue you get the more money you will have to lavish. This is the origin of reckless expenditure and growing and multiplying wants. If all the money required by National Governments were raised by

direct taxation we should see a system of economy which would remind one of Spartan virtue, and we should not have to worry over such questions as Commercial Union, for the whole world would form one great Commercial Union.

This is the ideal condition of affairs. We unfortunately have to deal with the real. But the indications are that this continent is about to turn its course in the direction of commercial freedom. In the United States the Protectionist party is still ascendant, but the advocates of a reduced tariff are steadily gaining ground. The enormous surplus which is being rolled up each year, and which the Government do not know what to do with, is an immense lever in the hands of those who are endeavouring to lead their country in the direction of sound economic principles. Therefore, though we have to deal with things as we find them, and make all our calculations on the basis of a tariff collected revenue for many years to come, yet one thing we may confidently rely upon in all estimates for the future, and that is that the United States will adopt the policy of a gradual and steady reduction of their tariff. If the Congress agree to the principle involved in Mr. Butterworth's Bill, and a Commission is formed to adjust a common tariff, it is safe to affirm that that tariff will be lower than the existing tariff of the United States. It is equally safe to conclude that if a readjustment of this common tariff is afterwards sought by the United States Government, it will be in the direction of a further reduction, and not an increase.

If these be the facts, then we can make our calculations accordingly. It will be satisfactory to Canadians to have a common tariff lower than the present American tariff. Indeed it is one of the objections urged in many quarters to Commercial Union that it will involve too high a tariff; therefore we have nothing to fear from the first common tariff. American policy and Canadian interest will run parallel in this regard. But suppose that American policy, which is likely to prevail under a common tariff, should seek a still further reduction in the common tariff, in the course of a few years, as we feel quite confident it will, how will this affect Canadian interest? Would it not be entirely in line with it? Have we anything to fear from a reduced tariff? We have always the alternative of direct taxation, and I believe this to be the very best means of collecting a revenue. Sound and enlightened opinion the world

over is tending in this direction. Every educated writer on the subject plants himself upon this solid basis.

Therefore I sum up the whole objection thus : The common tariff likely to be formed is one which will exactly suit Canadian interest, and all probable changes will inevitably be in the direction of sound policy, which no intelligent and patriotic Canadian will ever be afraid of. It will not improbably happen that Commercial Union may teach both countries the folly of Custom-houses, then indeed will it prove a blessing to this great continent.

THE SENTIMENTAL DIFFICULTY.

I come now to the fourth and last radical objection to Commercial Union,—that it will tend to separate Canada from the British Empire. I wish above all things to be frank in the discussion of this vital question, and therefore I am compelled to admit that there is a large basis for this objection. But the relations between Canada and the British Islands are not very close at this present. Recognising that we are part of the great Empire of which we may justly feel proud, we are loyal to the British Crown, and, what is more important, loyal to the British race. The accident that we are at this moment Colonists, in my judgment, does not exercise a very powerful influence in moulding the sentiment of the Canadian people toward Great Britain. We are practically independent at this moment. We make our own laws, frame our own tariffs, and in no sense accept any interference with our affairs from the British people. It is true that the Judicial Committee of the Privy Council is our final Court of Appeal, but this is only because that it is so, not because there is any necessity, advantage, or philosophy for this tribunal ; therefore, the point I wish to make is that the Colonial relation between Great Britain and Canada is essentially a slender one, must necessarily come to an end some time, and does not now have a very marked effect upon Canadian policy.

It cannot be disguised, however, that there exists an enormous sentiment of loyalty and affection for Great Britain in this country, and nothing can occur to eradicate this. Surely no man with any spirit or sense would wish to abate this one jot or one tittle. Who can fail to be proud of the achievements of the British race and the glory of the British Empire ? Who is

so dull as not to recognize that Great Britain stands to-day as the foremost representative of civilization and enlightenment in the Eastern Hemisphere? Who fails to appreciate the reflected glory of the race in the development of North America? The second point then which I wish to make is that if the Colonial relations between Great Britain and Canada were to terminate, either as a result of Commercial Union, or for any other reason, this would not make the Canadian people less devoted to the interests of the Empire, or less impregnated with sentiments of loyalty and veneration.

But it must not be inferred that I admit or believe that Commercial Union with the United States would involve Independence. On the contrary, I am fully persuaded that Commercial Union would be the easiest and best settlement of the Fisheries dispute, and at the same time would be entirely in line with British interests. The common tariff, which would be called into existence under Commercial Union, would undoubtedly be more favourable to British trade with North America than the multiple of the two existing tariffs of the United States and Canada. Therefore, I apprehend that the proposition to make a permanent settlement of the Fisheries difficulty on the basis of Commercial Union will meet with no serious opposition in Great Britain, neither will it cause an abrupt termination of our existing relations.

It is not wise or sensible to make our calculations of the future entirely on existing lines. Canada is assuming national proportions, and her future is still a matter of doubt and uncertainty. Important changes must come with time. Imperial Federation is simple madness, and not to be seriously entertained in Canada. The only true policy for us to pursue is to seek to promote our own material interests by the most natural and palpable method. Anything which tends to the prosperity of Canada will not be resisted by the British people. Our destiny is in our own hands. Let us work it out with patriotism and manliness.

ADDRESS ON COMMERCIAL UNION.

Delivered at Almonte, Ont., Feb. 20th, 1888,

BY JAMES PEARSON, TORONTO.

[From the *Almonte Gazette*.]

A well attended and interesting meeting of the North Lanark Farmers' Institute was held in the Town Hall, Almonte, on Monday, the 20th inst., called for the purpose of discussing the now important question of Commercial Union between Canada and the United States. Mr. C. M. Simpson, President, occupied the chair, and, after a few introductory remarks, announced Mr. James Pearson, Barrister, Toronto, and a member of the Commercial Union Club of that city, as the speaker.

Mr. Pearson began his remarks by saying that though now a resident of Toronto, he was not a stranger in the county, for he was born and brought up a farmer in the township of Huntley, and, true to the instincts of his early vocation, now found himself the owner of a farm in Victoria county, and so could speak to the farmers he saw before him not only as a lawyer but as a farmer, and in the interest of the farming community. He liked to hear the question at issue discussed, and he didn't shrink from referring to it with those who held views inimical to his own. He considered it a question of the farmers, the fishermen, the lumbermen and others on the one side, and the manufacturers on the other, and when we undertake to discuss questions of this nature, which necessarily affect the

INTERESTS OF THE WHOLE COUNTRY,

we should be prepared to treat them in a calm, deliberate manner, relying upon cold facts to bear us out in our contentions, and always having the best interests of the country in view. He would first call attention to some facts relating to the population and trade of the country, so that his hearers would be able to follow him through his remarks. He would speak of figures in round numbers. Canada, he said, was

practically an agricultural country. She had other interests, to be sure, but those of the farming population outweighed all others, and were spread over the whole country. Taking the aggregate trade of the Dominion from the time of Confederation, the speaker pointed out that of the exports of the country farm produce aggregated over one-half of the total; lumber came next with a representation of about one-third; the products of the fisheries one-twelfth, the exports of the manufacturers nobly bringing up the rear with a representation of one-twentieth. It could be seen from this that the interests of nine-tenths were to be considered on the one side and those of one-twentieth on the other. He gave the figures in round numbers, as shown by the statistics, of the aggregate trade for the years 1885-86-87, showing a falling off in the second year from that of the first, and but a small increase of the third over the second. Our imports, he said, exceeded our exports by \$20,000,000, annually; and our trade for years had been much larger with the States than with England. Our trade with those two countries was about 89 per cent. of the whole. We did more or less trading with China, France, Germany, and even the Argentine Republic, but, as he said before, United States and England represented 89 per cent. of the whole. We have a tariff at present against all countries; every article, wherever it came from, had to pay the duty imposed by our tariff laws—by the wall which had been built around the Dominion; but the States, too, had a tariff wall, and articles going into that country had to pay a heavy duty or toll also. England was a

FREE TRADE COUNTRY.

There was no duty to be paid on the articles sent there. If, with that tariff, we export as much to the United States as we do to England, is it not reasonable to suppose that we would export much more to the former country if the wall were taken down? It is true that we sent articles to the United States that we could not very well send to England, but if it were not for the States what would we do for a market for our eggs, poultry, etc. Last year we exported \$2,000,000 worth of eggs to the United States, and about a quarter of a million worth of poultry. England, it was true, furnished our staple markets for

horned cattle, as shown by the figures for last year; 75,000 went to England and 45,000 to the United States. But again, in the matter of horses, we were obliged to fall back on the States. The speaker pointed out that, out of 262,000 exported since Confederation, only 5,000 went to England, 450 to other countries, and the balance to the United States. Canada didn't produce the kind required by England, but did produce the kind wanted in the States. In 1886 England wanted horses for military purposes. A man was sent out to inspect and purchase these horses, and, out of 8,000 Canadian horses inspected, bought 80. Then, as to the question of barley, he said that farmers were getting out of conceit of growing wheat. The United States purchased nearly the whole of our barley. In 1887, 9,000,000 bushels of the latter product was exported to the States, the duty on which amounted to the

ENORMOUS SUM OF \$1,400,000,

which went to swell the already enriched coffers of the U. S. treasury. There was no doubt, that by the existence of tariff laws, the farmer got less for his horses, less for his barley, and less for all other articles exported than if the walls between the two countries were removed. He explained in an explicit manner the geography of the two countries, and showed that our population was spread along a line of 4,000 miles. Ontario, the nucleus of the Dominion, grew more grain to the square acre than any State in the Union. Large countries might prosper under protection, such as the United States and Germany. They had the elements of trade within themselves, and could go on building up walls until every country under the sun was shut out from them; but it was absolute folly of Canada, a country of great extent, and unlimited natural resources, with a small population, to build up a tariff wall shutting out the trade of the United States, her nearest and largest customer. The natural market for the products of the coal fields and fisheries of the extreme east and extreme west of Canada was not in Ontario, but in the States to the south of them, where they were sent to-day in spite of the tariff. The agricultural interests predominated in Canada. In the country to the south of us they had different products. Every mile the climate got warmer and warmer, until at the Gulf of Mexico

they had continual summer. The natural trade of the continent ran north and south, and when we undertook to build a tariff wall around Canada we attempted to divert trade from its natural course, and send it East and West. Mr. Pearson here showed that the agricultural products of Canada were much greater than those of the United States, per capita,

THAT OURS REPRESENTED ANNUALLY \$400,000,000, OR \$80
PER HEAD OF OUR POPULATION,

and theirs \$2,500,000,000, or only \$41 per head of their population; that the energetic, populous part of their country lay up against the line dividing the two countries. He explained the successful working of the Reciprocity Treaty of 1854, and pointed out the benefit that would be derived from a similar treaty to-day, the interests of the manufacturers being considered with the rest. The United States, however, would not open their markets to us unless we opened ours to them. But here comes the difficulty. The manufacturers want to continue the protective policy, and their opposition prevents the farmer from getting reciprocity, but the farmers were so far ahead in wealth and numbers that their interests outweighed those of the manufacturers, and he believed in laws and measures that gave the greatest good to the greatest number.

Here the speaker alluded to insinuations by Mr. Clarke, M.P.P., of Toronto, in his article against Commercial Union, who spoke of the "craven meanness" of those having the audacity to advocate Commercial Union, and, with a surprising amount of self-confidence, charged them with being disloyal, annexationists, etc. Mr. Pearson went on to show that Canada owned the fisheries for three miles out from the coast lines, and to secure the treaty of 1854, bartered away, or England did with her consent, the right of fishing within this three-mile limit in exchange for sending her goods to the States. Had the conditions changed since that treaty was in force? Not at all! They were the same to-day, but we didn't have the manufacturing interests then to cry out against it. A manufacturing interest had since been built up, which had been helped along by the farmers themselves. The National Policy was introduced, which built up and encouraged the manufacturers, gave them an impetus from which they have grown strong, and now object to any change that would help the farmer.

Our Government to-day recognized the fact that the agricultural interests of the country would be benefited by such a change in our commercial relations with the United States as we are and have been advocating. This statement was proven by a standing law on the statutes, which provides that whenever our neighbours feel disposed to open their markets to our producers our Government should meet them in a like manner. There was absolutely no argument to be advanced that the farmer would not be benefited by free commercial intercourse with the States, and, barren of arguments, its opponents met those who favoured it with insinuations of disloyalty that were not fair to the latter. For his own part he was a loyal Canadian—a descendant of a U. E. Loyalist, who left the States to come to this country.

Mr. Pearson then went on to show to his hearers that during the last three years our lumbermen exported \$27,000,000, of lumber to the United States, the duty on which amounted to \$5,000,000. In 1878, when the National Policy was introduced, promises were made that the manufacturing interests would be built up, our cities and towns would increase in population under its protecting influence, and a home market would be opened for all our produce. If the N. P. had done all this he would be satisfied, but it hadn't. It was true that when it was first introduced men of means rushed into the manufacturing business, and many of our towns and cities benefited thereby for a time, Toronto being named as an example, but the manufacturers

DID NOT FULFIL THE PROMISES

that were made for them, and the result was they had a limited market, and before going on many years found they had more goods on hand than the market could receive. But did they continue to run on full time? No. For instance, the Cotton question first came up, and the few mills that were in existence glutted the market, and the manufacturers turned out just what goods they could sell in Canada. This caused a resort to short hours, a reduction in wages and in the number of employés, and, as a natural consequence, the trade of the country was interfered with and depressed. The manufacturer hadn't been keeping pace with the improvements of the age, and for

this reason was afraid of American competition. His policy was explained in the following dialogue, supposed to have taken place between a manufacturer and a farmer : The former says to the latter, " Don't you go in for free trade with the United States, for they would come in and sell goods to you for one-half of what I sell them to you for. If you do I will ruin your reputation—charge you with being disloyal and trying to break up British connection." That was the unreasonable way in which they argued.

The speaker then showed how the income of the farmer was reduced by the duty he had to pay on his products at the line ; and went on to state that the Institute was organized for the purpose of teaching him as to the best and most profitable means of growing his crops. He thought, after all, the most important question was how much he was going to sell his grain for ; how much he was going to get for the money he would receive from it, and how much he would have left to pay the interest, and principal on the mortgage. There was a duty of \$20 on every \$100 on horses going into the States, which he gave as an illustration. The American buyer told the Canadian farmer when the latter got on the other side that he would give him \$80 for his horse under the existing tariff laws ; if the duty had not to be paid he would give him \$100 for the same animal, so that the farmer

LOSES \$20 ON THIS SINGLE TRANSACTION.

He turns round to buy the necessities of life at home—his woollens, his cottons, his sugars, teas, and the thousand and one other things that he requires—and finds that he pays a much higher price for his articles than if we had reciprocity with our neighbours. The speaker here explained that he wanted chiefly to show the farmer where the shoe pinched, and he could use his own judgment as to the best remedy to be applied. The lumbermen, he said, were in much the same position as the farmers, though in number they were few compared with the latter. They, however, made up in their aggregate trade and wealth. Here Mr. Pearson went into a detailed explanation of the manufacturing interests of England and Germany, showing that our manufacturers could never hope to compete with those of the Old World ; the distances here were too great, and the

profits would be eaten up by the freight rates before the goods would get to the ocean for shipment. Had we not, then, better face the music? If Canada and the United States would remove their tariff walls our manufacturers would be placed on an equal footing with those of the individual States of the Union. The manufacturing interests of the United States were not confined to the Eastern portion thereof, and the freight question, especially in Canada, had a great deal to do with the matter. It was impossible for an implement factory in New York to

COMPETE WITH ONE IN CHICAGO FOR THE WESTERN TRADE.

If the tariff walls were taken down our manufactories would still go on. They were not supplying the outside world—they were not supplying the United States. He knew manufacturers himself who would be glad to have free trade with our neighbours. They had kept up with the improvements of the age, and were not afraid of American competition. It was true, however, that there were many others who were not up to the mark, and would not favour a change in our National Policy. He thought that, as we had been helping the manufacturers for nine years, they ought to be able to keep themselves now, and should be content to give the farmers a chance. They controlled to-day the legislation of the country with regard to their own interests. They were continually sending deputations to Ottawa, but the farmers were never heard of in the lobby of the House. They were scattered over the country, and each one with his coat off and working as hard as his employes, while the manufacturer hardly ever entered his shop, but walked the street in his fashionable clothes, or sat in his cosy office reading a newspaper. As an instance of the vigilance of the manufacturer in looking after his own interests, he stated that the American farmers had been tilling their prairies for half a century when ours commenced. They possessed ploughs such as our farmers had never heard of, and when the Canadian North-West began to be settled many of our people took their implements with them, but soon found that they were unsuitable for the prairie soil. Looking across the line, they saw the American comfortably seated upon his sulky plough, working as easily and nicely as could be asked for. The farmers didn't run down to Ottawa, as they might have done, and have the

duty on these ploughs removed ; but the manufacturers quickly took the hint, and hied away down to the capital and had the duty increased. The speaker then took up the sugar question and pointed out that the profits of a certain Canadian Sugar Refinery for the last year amounted to \$500,000, and that the farmers were among the principal consumers.

He thought in every locality the farmers should discuss the question of trade relations with the United States, discuss the facts and the economical part of the subject. He thought it time the farmers should have "an innings," just as they had given the manufacturers in 1878. The latter ought to be liberal enough to say, "We will go in with you and have a change made that will benefit not only ourselves, but the farmers as well."

OUR CARRYING TRADE.

He then dwelt upon the carrying trade of our lake vessels, and said that Canada had always stood well in this respect until lately. In 1877, her vessel building represented 127,000 tons capacity, and last year only 27,000 tons. The cause of this was that the vessels along the lakes were valueless. They plied between the upper lakes and Chicago and other places, and often had to return light, while American vessels lay alongside laden with grain and other products going to some part of the Eastern States. The Speaker pointed out that during the season of 1886 the daily tonnage passing through the Sault Ste. Marie Canal was greater than that of the Suez Canal. He then went on to show that we had no outlet in winter, and that if the States should shut us out and a storm should occur to block the Intercolonial Railway, we would then have one cause for wishing for annexation. If we wanted to keep down any feeling of discontent, we should strive to bring prosperity to the country. He was arguing and endeavouring to show that Free Trade with the United States instead of leading to annexation would have the opposite effect. The opponents of Free Trade only threw out that insinuation to prevent thinking people from giving ear to the subject. If we wish to build up the Dominion and increase the spirit of independence within her borders, we would have to help along the prosperity of the country ; then, instead of the spectacle we have to-day of 5,000,000 people, and

1,000,000 Canadians in the United States, going up and taking the oath of allegiance, our population would rapidly increase, and our people would be happy and contented not as a part of the American Union, but as a country

VYING WITH IT IN PROGRESS AND PROSPERITY.

He noted the rapid strides Canada had made in the building of railways and canals, and the fact that we had laid the foundation of a great Canadian Empire awaiting development. He hoped he had enabled his hearers to see and understand the geographical position of the two countries, and impressed upon their minds the fact that he did not desire that we should throw ourselves at the feet of the American Eagle and plead for reciprocity ; but there was a feeling growing up on the other side in favour of Commercial Union, and he thought it our duty to study the question and learn whether it would be beneficial to us or not. In his opinion it would bring us into trade competition with the Americans and make us more Canadian and independent than ever.

ADDRESS TO THE FARMERS OF HALDIMAND.

(With a reply in the House of Commons to the Disloyalty Cry.)

BY JOHN CHARLTON, M.P.

WHAT COMMERCIAL UNION MEANS.

Mr. Charlton first proceeded to explain the meaning of the term Commercial Union. It was, he said, simply a Customs union between two or more independent States, where a common tariff and excise laws were adopted, and the revenue collected, after deducting expenses of collection, was divided among the participants upon the basis of population or any other basis that might be agreed upon, while all trade restrictions between them were removed. The application of the principle between Canada and the United States would require that the two countries should have the same excise rates and the same tariff upon imports from all other countries; that the revenue thus collected in both countries should be divided upon conditions to be hereafter arranged; that the Customs line between the two countries from ocean to ocean should be removed; and that trade between Canada and the States should be in every respect as free and untrammelled as trade between the different States of the American Union was at the present moment. Having explained the meaning of the term, and the proposed mode of applying the principle, Mr. Charlton proceeded to inquire whether the proposal was purely theoretical or whether history gave any practical illustrations of its application and working. Fortunately, he said, we were not without the advantage to be derived from practical experience. In 1818 the numerous independent German States, finding that trade restrictions between States inhabited by people of common lineage, language, laws and customs, were vexatious and injurious, entered into a zollverein or Customs Union, which finally embraced not only all the German States but Austria as well. This arrangement put an end to restrictions

which in the very nature of the case could only prove intolerable and oppressive, and during all the years it has been in operation has been productive of unmixed good, while at the same time increasing the revenue of the various states belonging to the Union. Mr. Charlton also instanced the case of the union between Scotland and England in 1707, the beneficial results following which were so ably shown by Professor Goldwin Smith in a paper lately published in *THE MAIL*.

THE TREATY OF 1854.

As an evidence of the benefit that Canada would derive from unrestricted reciprocity, Mr. Charlton dwelt upon the great advantages resulting from the partial reciprocity in trade with the United States which Canada enjoyed from 1854 to 1865. It was not necessary, he said, to argue in a theoretical sense as to the advantages that would result from unrestricted reciprocity when we had the positive and overwhelming evidence furnished by the highly satisfactory results of only a partial application of a principle which was now presented to the Canadian people, and which, in its importance, completely eclipses all other issues. He proceeded to point out that the United States supplied the natural market for a very large proportion of the natural productions of Canada. The geographical and business affinities of the two countries would assert themselves despite trade restrictions. The Maritime Provinces found their natural market for lumber, coal, fish, potatoes and other productions, in the seaboard States of the Union; and it was natural that the vessels transporting those productions to the American market should bring as return cargoes provisions and such wares as could be purchased with advantage in that country. In the case of Ontario and Quebec the United States was their principal market for barley, hay, hops, wool, potatoes, horses, cattle, sheep, eggs, lumber, peas, iron ore, etc. Manitoba and the North-West would naturally buy the implements and articles best suited to their wants in the Mississippi Valley, and would find their best outlet for various productions in that direction. British Columbia found a market for coal and lumber in California, and would find trade with San Francisco more natural and profitable than with the Canadian cities on the other side of the continent. It

was to our advantage to buy from those who were customers for our own productions such wares as we could obtain from them cheaper than elsewhere.

We had heard a good deal of late years, Mr. Charlton said, about protection, and the time had come for turning our attention to the protection of the great producing classes of the country. Last year it was estimated that the duties paid into the United States treasury upon Canadian products amounted to \$5,000,000. The duty on our barley was 10 cents per bushel; peas, 10 cents; flax seed, 20 cents; potatoes, 15 cents; hops, 8 cents per pound; wool, 10 cents per pound; hay, \$2 per ton; butter, 4 cents per pound; lumber, \$2 per thousand; iron ore, 75 cents per ton; salt, 12 cents per hundredweight, and horses, cattle and sheep, 20 per cent. In all of these articles we furnished a small portion only of the consumption of the United States. The removal of the duty would not lessen in any material degree the prices paid in that country for our productions, and if the imposts were removed the amount of the existing duty would simply be added to the prices paid to our own people. Why not protect our farmers, lumbermen and other producers by securing a treaty that would annually put \$5,000,000 more into their pockets than they now receive? For the fiscal year ending June 30, 1886, the duties collected upon American imports into Canada amounted to \$6,790,000. The profits of wholesale and retail dealers were levied upon this sum, as it formed part of the cost of the articles; and the increased cost to the consumer in consequence of the duties was not less than \$10,000,000. Why not protect the consumers in Canada by saving to that class \$10,000,000 paid annually by them as a result of the duties levied upon American goods imported? Give them superior odourless coal oil at ten cents per gallon and cheaper cotton goods, coal, tools, implements, machinery, etc. This would be a protection worthy of the name, for it would benefit the mass of the people and not a few select rings and monopolies.

THE OBJECTIONS TO COMMERCIAL UNION,

Mr. Charlton went on to consider the objections raised to the proposed Customs union, and said he should give them all the weight they were entitled to. First, it was said that we

could not obtain such a treaty from the United States. He could see no evidence that such was the case. While there was no reason to believe that we could obtain reciprocity in natural products only, he had no doubt the American people would favourably consider a proposal for Commercial Union and would give us a liberal arrangement. Public men in that country very generally expressed opinions highly favourable to the scheme, and whatever might be the chances for success he could not deem it advisable to give up before we had tried. The next objection was that we could only make a treaty upon disadvantageous terms. In reply he would only say that we were not obliged to make a treaty unless we could get one that suited us. Another objection was that such a treaty would discriminate against the Mother Country and would be an act of disloyalty. In reply to this he ventured to point out that the fiscal policy of the present Government had never been influenced by any consideration of this kind. It might truthfully be said that all our tariff legislation of late years had discriminated against England. The care of British interests was not specially delegated to us, and our legitimate business was to look after our own. He had no doubt, however, that in arranging a common tariff, to the details of which both Governments must consent, modifications of the present American tariff would be secured that would more than compensate England for any injury her commercial classes could possibly suffer from diminished trade with Canada even if we admitted, as he for one was not prepared to admit, that the volume of imports from England would diminish. The next objection was that the proposed treaty would injure our manufacturing interests. To this he would reply that it would benefit our farmers, lumbermen, fisherman, coal and iron mine owners, stock raisers and labourers; that is to say, at least nineteen out of twenty of our population. We were not created to serve the purposes of sugar rings, cotton rings, and pet industries that could only live upon subsidies, direct or indirect. We had already bled freely for the benefit of "combines." Our manufacturers have as cheap labour and as cheap capital as their competitors in the United States. We propose to open the markets of the continent to them and to give them 65,000,000 instead of 5,000,000 customers. When this is done let them enter the lists and fight the battle like men, and

he had no fears for the result in the case of such industries as ought naturally to succeed in this country.

THE WHOLESALE MEN.

The next objection was that the proposed treaty would injure our wholesale trade and send our retail buyers to New York and Boston. He did not believe this would be the case to any serious extent. He had found upon examination that the natural commercial centres in the United States, such as Buffalo, Cleveland, Cincinnati, Detroit, Grand Rapids, Chicago, St. Paul, St. Louis, San Francisco, Portland, and many other cities he might name, supplied from their wholesale houses the retail merchants in the country naturally tributary to them; and that the wholesale trade of New York was largely with the minor wholesale houses of these cities. Such, he believed, would be the case in Canada, and he had no doubt that Toronto and Montreal, by reason of the great advantage of proximity to the customer, would continue to hold the trade that their merchants now enjoyed. Another objection, and perhaps the most serious one in the estimation of many, was that the proposed treaty would lead to annexation. This assertion was tacitly admitting that it would work so well and prove so satisfactory that we should want political as well as commercial union. He had no fears of any such result. The political and commercial union that had existed between Scotland and England for 180 years had not in the slightest degree impaired the distinctive traits of Scottish character. We were satisfied with our political institutions, and hoped to remedy in due time the defects of our Constitution. A desire for more intimate commercial intercourse could not be held to imply a desire for political union. It was the present condition of matters that threatened to lead to annexation. If our people cannot get free commercial intercourse without annexation they will inevitably consider the question of political union as the means of getting it; but if Commercial Union can be secured political union will not be desired or thought of. To-day the Maritime Provinces would gladly accept annexation, and the annexation sentiment is strong in Ontario, Manitoba and British Columbia. This desire is grounded not upon love for American political institutions in preference to our own, but upon a desire for free commercial intercourse;

give us the free commercial intercourse and there is no motive left to incite public sentiment in the direction of annexation.

THE REVENUE ARGUMENT.

The last objection Mr. Charlton proposed to consider was that the proposed treaty, as a fiscal arrangement, would not yield us a sufficient amount of revenue, and that it would be necessary to resort to direct taxation. He would suppose, for the sake of argument, that such a course would be necessary. If the country profited enormously by the arrangement it could afford to pay a portion of its necessary taxes directly instead of indirectly as at present. Direct taxation was not without its advantages. The cost of collection was less than the cost of collection by import duties. Every dollar secured by the Government in duties cost the consumer about a dollar and a half, because the duty was a part of the cost of the article imported, and both the wholesale and retail dealer had their profit upon it. Incidental taxation in the shape of enhanced cost of goods produced in the country under protective duties was also saved to the consumer if revenue is raised by direct taxation. If revenue was raised by direct taxation the taxpayer would more fully realize the extent of his burdens and would look more closely after expenditure, and more imperatively demand economy and honesty in the administration of public affairs. He was of opinion, however, that a resort to direct taxation would not be necessary. Our revenue from customs and excise in the year 1886 was \$25,226,000. The revenue of the United States from customs and excise was \$309,710,000 during the same period. Had this amount of revenue in the two countries been collected under a Customs Union the fund for distribution would have been \$334,936,000. If the distribution were made upon the basis of population, estimating the population of Canada at 5,000,000 and that of the United States at 60,000,000, our share of the fund would be \$25,760,000, or \$434,000 more than the actual amount of our revenue at present. Under Commercial Union it was to be expected that the revenues of the two countries would decrease to some extent, as the imposts upon the trade between the two countries would no longer be collected. But Commercial Union would save us the large expense of maintaining a Customs barrier against the United

States ; and it was not only possible to economise largely in other directions, but it was highly desirable that we should do so. With our fisheries to offer as a consideration we ought to be able to secure more than an equal *per capita* share of the common fund derived from customs and excise, and he was decidedly of the opinion that terms could be arranged which would give all the revenue required if the administration of our affairs was economical and honest.

At this time, when the matter of the Fisheries was under consideration, the people should make known their wishes. Commercial Union was beyond all question desirable. The project was a feasible one and events were ripe for securing it. We possessed immense resources in our soil, in our timber, in our minerals and in our fisheries. The development of these resources had only commenced. The Dominion could support in happiness and comfort as many inhabitants as now lived in the United States, but almost every interest in the country languished for the want of admission to the great zollverein of Anglo-Saxon States on this continent. Free untrammelled access to our natural markets would put a new face upon our affairs. Give us this and the tide will turn, prosperity will come, the exodus of our citizens will cease, some of the million Canadians now in the United States will return, immigration will pour in to till our prairies, develop our mines and fell our forests ; and we shall be well on the road to the realization of our natural and honourable destiny of building up a great and prosperous commonwealth.

In his speech in the House of Commons on the Unrestricted Trade Resolution Mr. Charlton said :—Now, I propose to examine candidly a few of the objections that are urged against this proposal of Unrestricted Reciprocity.

THE LOYALTY QUESTION.

First of all, it is urged that it is disloyal. Well, sir, to whom is it disloyal ? It may be disloyal to Manchester, it may be disloyal to Birmingham, but is it disloyal to Canada ? That is the question that concerns us. We are not charged with the guardianship of the interests of Manchester, of Birmingham, or England ; we are charged with the guardianship of the interests of Canada. If we do not guard those interests expressly given to

us, they will not be guarded. Time and again our interests have been given away to advance Imperial interests, and it is our business to guard our own interests; and if this policy is loyalty to Canada, if it is calculated to promote the interests of Canada, that is as far as I care to inquire with respect to the question of loyalty. Now there are 4,750,000 people in Canada. What are they? They are British subjects, and they are just as much entitled to consideration as 4,750,000 British subjects in England. How many British subjects in England are there who can possibly be affected by this proposed change? We imported from England last year \$44,496,000 worth of goods. Suppose they were all the products of manufactures, suppose they were all the productions of the skilled labour of England, how many men would it take to produce that amount of goods? I stated, in reading over the development of manufactures in the western States that in 1880 Milwaukee produced \$43,473,000 worth of goods, or within a fraction of the entire amount we import from England. How many inhabitants had that city? It had 115,000; and I venture to say that not one-half were engaged in manufacturing. How many people does it take to produce the \$44,000,000 worth of goods we import from England? In 1880, according to the returns, the production in the United States was \$1,950 per head for each man, woman and child engaged as factory operatives in that country. Upon this basis the production of that amount of goods means the employment of 25,000 operatives; it means that at the very outside 75,000 people in England are dependent upon the production of the goods that have been exported to Canada and sold in this country.

And we are asked to do what? We are asked to place in one scale the interests of 75,000 people in England and in the other scale the interests of 4,750,000 people in Canada, and to decide that the claims of the 75,000 people shall outweigh the claims of the 4,750,000. That is the kind of loyalty in this connection. I do not care for that kind of loyalty. I am engaged in looking after the interests of my constituents, and I care a great deal more for them than I care for nabobs in Manchester. What do you suppose is the amount of profits derived from this business in England? It may be \$4,000,000 or \$5,000,000, or even a little more. How much British capital is invested in Canada? I am told there is \$560,000,000

invested. Now, the interests of those men who have made investments in Canada are intimately connected with the prosperity of this country, and even admitting that we were to sacrifice the interests of those people engaged in manufactures, would we not be benefited? How much money is there invested in England to produce the goods sent to Canada. The investment at the outside of \$30,000,000 will produce the amount of 44,000,000 worth of goods. The ratio in the United States was \$2,790 of capital to \$5,369 of products in 1880, nearly two of products to one of capital; and it is a liberal estimate to say \$30,000,000 of capital invested in England is all that is invested to produce the goods sent to Canada. Place in one scale the men having \$30,000,000 of capital engaged in producing goods sent to this country, and place in the other scale the interests of English investors in this country to the extent of \$560,000,000, besides the interests of all the people of this Dominion, and we are asked to say that we will consider the interests of the owners of \$30,000,000 of capital invested in manufactures paramount to the interests of the other class who invested \$560,000,000 here, besides the capital of the people of this country. That is not the kind of loyalty I intend to stand by or advocate. It is assumed upon the hypothesis on which I have been dealing with this question, that unrestricted reciprocity would abolish imports from England. It will do nothing of the kind. It may temporarily check those imports, but the increased prosperity which will be sure to be given to this country will lead to increased trade. It has ever been so and ever will be so, and the result will be that in a few years, instead of abolishing English trade, there may be a large increase of English imports into Canada. I remember the time, Mr. Speaker, when hon. gentlemen opposite were not so super-loyal. I can remember when we were discussing the National Policy, and when it was urged that that policy was a disloyal one as regards England, that it threatened British connection, those hon. gentlemen said, "So much the worse for British connection." I rather suspect the motive which prompts hon. gentlemen opposite on this occasion to make such a leading cry of this cry of loyalty.

There is another feature of this case to which I might be permitted to allude most briefly in connection with the charge of disloyalty. I believe it is a matter of interest to the whole

Anglo-Saxon race, to every English-speaking man, whether he may be in America, or the United Kingdom, or Australia, or New Zealand, or the Cape of Good Hope, or Hindostan, or wherever he may be on the face of this broad earth, for they are scattered over the whole face of it—I believe it is the interest of every English-speaking man, that friendly relations should exist between the two great branches of the Anglo-Saxon family. I believe that any policy that will draw closer the bonds that connect the United States and England, that will increase the cordiality existing between those two great powers, that will have a tendency to bring those two powers to act in concert and in alliance, is a policy that should receive the commendation and the support of every man, not only in Canada, but in every English-speaking country in the world. I do not need to tell you, Mr. Speaker, that no question is likely to arise—no question for many years, except the Alabama question, has arisen between England and the United States threatening to sever the amicable relation between those two countries—that has not had some connection with Canada. The fisheries dispute—we cannot say it ceases to exist—which so lately was an ominous question, threatening the relations between those two countries, was purely a Canadian one; and if we adopt any policy that brings Canada and the United States into closer commercial relations and removes the danger of friction between this country and the United States, we adopt a policy that is likely to lead to that result which we consider so desirable, the drawing closer together of these two great branches of the Anglo-Saxon race, I believe that a powerful argument in favour of unrestricted reciprocity can be founded upon that view of the case. I believe we would be justified in entering into negotiations and seeking to draw these two peoples closer together, closer in commercial and closer in social intercourse, if no other consideration had weight in the premises. So much for the disloyalty objection. Now, the next objection urged to this proposed arrangement is that it will lead to annexation. What does that objection admit; what does it tacitly, inferentially admit? It admits that it would be such a splendid thing we would want more of it, that it would work so well we would not be satisfied with a half measure, but would go the entire distance. I say that it admits that it would be a good thing. Perhaps it would; but it would not be a good thing to the ex-

tent of bringing about annexation. It would have a direct tendency, on the contrary, to prevent annexation. I remember when I was a boy that the annexation sentiment in this country was rampant. I remember a manifesto issued in 1849 signed by hundreds of prominent Conservatives in this Dominion, and it put the arguments in favour of annexation with great power and force. I know, sir, that annexation was debated and discussed, and that the great mass of the people in that section of the country in which I live believed in it. What was the cause of it? Was it because they considered the political institutions of the United States superior to those of Canada? No, sir, I think not. It was because they desired freer commercial relations with the United States, and that they saw in annexation the only mode of obtaining it. In 1854, when we got freer commercial relations with the States, annexation died out. We never heard of it again while reciprocity continued. It was not a desire for annexation on political grounds, but the sentiment was created by the desire to obtain free commercial intercourse with the United States, and by that desire alone. Now, sir, we have an annexation sentiment to-day, and it is growing in this country, and it is growing because of the mismanagement, the recklessness and the extravagance, and the corruption of the party in power. If there is any one thing that actuates the public mind and that has a tendency to *spread this annexation sentiment in Canada*, it is the desire that is felt by the farmers and lumbermen and other producing classes of this country to obtain free trade with the United States. It is that, sir. It is not because they do not believe that our political institutions in Canada, if honestly managed, are not as good as those of the United States, for, sir, nine out of every ten of the people of Canada believe our institutions are better, as they have a right to believe. It is the desire for unrestricted commercial relations that promotes the sentiment in favour of annexation. Now, sir, you secure an arrangement by which we can obtain unrestricted reciprocity with the United States, and you will find as a result of that arrangement that agitation for annexation will die out completely. This would be the inevitable result of such a policy, and it is the way to put an end to the annexation agitation altogether in this country if we can have through a commercial treaty all the material advantages that can result from annexation.

HOW COMMERCIAL UNION WOULD AFFECT THE LABOUR MARKET.

BY ALFRED F. JURY, TORONTO.

Before giving some reasons why workingmen should favour Commercial Union with the United States, I shall endeavour to answer some of the arguments I have heard them advance against it.

One of the first is that we should be swamped by cheap American goods, as we were prior to 1878. Admitting for argument's sake that we suffered prior to 1878 because the Americans sold us goods for less than their real value, those who use that argument seem to forget that the conditions would be changed under Commercial Union. Under Commercial Union Canada would be like so many States of the Union for all the purposes of trade. There would be no customs tariff between the two countries, so that if the Americans made a slaughter market of Canada we could send their goods back and sell them to their own people and make a good profit by the trade. Under Commercial Union there would be no necessity for them to slaughter their goods in our markets, as they would have access to them without resorting to that process; and the same prices, *plus* cost of carriage, would obtain in both countries. In fact, it would kill the slaughtering which some protectionists say takes place now, as well as the smuggling which we all know is going on on a large scale.

There is a fundamental protectionist fallacy underlying all this talk about the labour of a country being injured by imports. All trade being an exchange of labour it is impossible to have large imports without first having performed a lot of labour so as to have enough of your own products to supply the native demand and yet have an amount large enough left to exchange for the products of other countries which, when they come in, we call imports. To talk of large imports killing labour is most assuredly to put the cart before the horse, because a great deal of labour must precede large imports,

Did anyone ever hear of a nation of idlers that were great importers? No; other nations do not give you the products of their labour unless you have products of your labour to give them in return.

We are often met by the statement that we could not compete with the Americans. Surely this cannot be true of our workingmen, who, when they go to the States and work side by side with the American workmen, are considered quite equal, if not superior, to them. Our inability to compete, if it exists, must be caused either by the smallness of our market or by lack of capital, energy or skill on the part of our manufacturers. For it is notorious that the Canadian manufacturer has the advantage of cheaper labour, and in many instances of cheaper raw material and power as well.

One of the primary benefits resulting from the consummation of this movement would be that which must flow to every people who have close commercial intercourse with a much larger and richer nation, namely, the elevation of our standard of living up to their standard. I do not think it will be disputed by anyone who has examined the facts, that the people of the United States have the highest standard of living of any people on this continent. It is generally admitted that if we had Commercial Union with the States a large amount of American capital would flow into the country to be invested in developing our national resources. It follows that this would create a great demand for labour, and, as the workingmen know, it is when bosses are wanting men, and not when men are wanting bosses, that the price of labour goes up. Further, our industries would become more diversified, so that there is not the slightest doubt employment would be more general and wages higher than at present. Not only would American capital find its way into Canada, but British manufacturers would come here and start factories if we could offer them the markets of the United States without their becoming citizens of that country. Again, Commercial Union, by taking off the duties at present imposed on many articles which our manufacturers have to import from across the line in a half-manufactured state, would tend to cheapen production, and the working classes are as much interested in cheap production as any other class in the community. Cheap production must not be confounded with cheap labour. I am one of those who believe in

dear labour and cheap products, and this is not a paradox. If all the taxes that are now imposed on the raw material of labour were removed, part of the amount thus saved would go to the artisans if the artisans were organized; part to the manufacturers, and part to the consumer in the shape of cheaper goods. The people have a certain amount of money to spend in articles of manufacture. If we put duties on anything entering into their production we just divert so much out of the pocket of the producer and consumer into the coffers of the Government or into the pockets of the manufacturers. If, for instance, the people of this country have two hundred millions to spend in manufactured goods, and duties are put on which enable the Government to collect twenty-five million and the manufacturers to collect about the same amount, this means that fifty millions of a tax has been put on industry, which if not put on could, and a large amount of it would, be spent on labour, thereby causing a greater demand for labour and a consequent rise in its price.

Organized labour has a special interest in helping on the movement for Commercial Union, as it would enlarge the field of competition among employers. So long as society is based on competition—and there is little doubt that the competitive system will survive many generations—the sellers of labour should see that all other classes in the community are subject to one and the same economic law. At present the conditions in this respect are unequal, and therefore unjust. The manufacturer gets protection from the products of foreign labour, and is thereby enabled to put up the price of the goods which the Canadian artisan uses as a consumer. But he does not put up the wages of the Canadian artisan. Not at all. On the contrary, the Dominion Government actually helps him to introduce competitive foreign labour against home labour. The Government has spent about two million dollars during the last five years on immigration, that is, in importing foreign labour to keep wages down in this country for the benefit of the manufacturer. We are often told that protection is synonymous with high wages. If it were true that protecting products was equivalent to protecting the producer, all we should have to do would be to find out how much protection there was on any article to know that the labour producing that article received high wages. But if we look round at the different

trades do we find the highest wages paid in the highest protected industries? Most assuredly not. The highest protected industries both in Canada and the United States pay the lowest wages; and it is reasonable that it should be so, for if an article cannot be produced in the country without a high protective duty it is a very good evidence that employers cannot afford to pay high wages. If it were true that a high tariff was synonymous with high wages the workingmen would not have to combine in trade unions to keep up wages; the tariff would do it for them. At election times I often hear workingmen talking about protection causing high wages, but I notice that at all other times those of them who are trying to raise wages preach the benefits of organization.

Take the way protection affects strikes. If men strike for an increase of wages from those manufacturers who have such a dread of the products of pauper labour, how does the case stand with labour? Why, the manufacturers can import all the pauper labourers they want from Europe to take the places of the strikers. If the strike be in winter weather and the men on strike want blankets, they cannot import them without paying a duty of forty per cent., because forsooth the blankets are made by the pauper labour of Europe. If the employer has large stocks on hand all he has to do is to lock up his factory and starve his men into submission. He is not afraid of anyone coming and selling goods under him. The ring among the home manufacturers and the tariff against the foreigner will prevent that. Instead of a strike being an injury to them it may be a positive benefit. If it lasts long enough to run their stocks down it gives them a good excuse to raise their prices. But how is it with the labourers? They being so numerous and so poor it is exceedingly difficult for them to organize and prevent other native workmen taking their places, and quite impossible to prevent the pauper labourers of Europe from doing so. It is in time of strikes that the manufacturers suddenly discover what a fine fellow the pauper labourer of Europe really is—so docile, so expert, so intelligent, in fact, in every way so superior to the native article. But when election time comes round, then the native labourer must be protected against the pauper labourer of Europe by placing a heavy duty on what? On labour that the native workman has

to sell? No ; but by putting a high tariff on the manufactured article the manufacturers have to sell.

In conclusion, I wish to point out that it is the pretty general feeling among not only the farmers themselves, but among all those who have given attention to the subject, that Commercial Union would benefit the farmer. If that is true, and I believe it is, that of itself would benefit the workingmen in two ways. In the first place, the farmers are the great consumers of the goods made by the workingmen of the cities and towns ; and anything that would give them a better foreign market for their products, where they would obtain higher prices, would enable them to consume more of the goods made by the artisans ; hence it would give the latter more work. In the second place, by improving the condition of the farmer, free trade with the States would keep the farmer's sons at home and stop them from thronging into the cities and towns in such numbers as they have done of late, to compete with and lower the wages of the mechanic. Further, by remaining on the farm they would be producing wealth for the community, so that, instead of being competitors for work in the centres of population, they would be consumers of the products of the artisans. Not only all this, but the farmer, having a larger market for that kind of produce requiring the greatest amount of labour in its production, would require more help. That would add to the general demand for labour, and cause the industrial machine to run more smoothly than at present.

ADDRESS BEFORE THE WEST PETERBOROUGH FARMERS' INSTITUTE.

BY WM. CLUXTON,

Late M. P. for West Peterborough.

Commercial Union, we all understand, means Unrestricted Reciprocity, unrestricted commercial intercourse between Canada and the United States ; in other words, the obliteration of the Customs line between the two countries—in fact, the abolition of all tariff and customs dues. The question as to who pays the duty has been discussed by economists of reputation from Adam Smith, Mill, Ricardo and other writers downward, who argue that the burden of customs duties falls on the importing community, and not on the community which sends the goods on which the duties are imposed. But they admit there are exceptions to the rule. I would not presume to say whether these eminent writers are right or wrong. They may be right from their standpoint, especially so as far as England is concerned. But after fifty years of an extensive business experience and reading, I humbly submit the conclusions which I have arrived at in connection with our trade with the United States. When the supply exceeds the demand the price, as between the two countries, is equalized, and in that case is regulated by the European or foreign markets. This is the case at the present time with wheat and cheese in Canada and the United States. The price is governed both in this country and in the States by the price in England, and when combinations are formed to control the market and put up the price, say, of such a necessary article as coal, the consumer, importing coal into Canada from the United States would, in such abnormal cases, pay the duty.

A few years ago we had a magnificent crop of oats in Canada, and there was a good demand for them in the States. That year I shipped 180,000 bushels to Boston, which I bought at the several stations on the Midland railway in the vicinity of Peter-

borough. When these shipments reached the boundary line at Island Pond they were stopped by the American customs officer until I paid the duty of ten cents per bushel, amounting to \$18,000—or rather, I should have said the farmers from whom I bought the oats paid the duty to support the American Government. A merchant residing at Rochester or Ogdensburg shipping 180,000 bushels to Boston from his side of the customs line at the same time, and selling at the price at which I sold my oats, would receive \$18,000 more than I received; and consequently could pay the American farmer ten cents per bushel more than I could pay the Canadian farmer.

WOOL-GROWING IN CANADA.

Sheep-raising in Canada should be a profitable business for farmers. Are flocks increasing? Have they not decreased since the termination of the Reciprocity Treaty in 1866? Why? Because the price of wool has been so low that farmers found it undesirable to keep large flocks of sheep. How would Commercial Union affect this property? The price of wool in Ontario for some years past has been from 18 to 20 cents, while the price in the States has been for the same grade 35 cents. Do away with the duty and the price in Ontario for fleece-washed wool would be at least 30 cents per pound. The duty on wool imported into the United States is 10 cents per pound. In confirmation of what I say I submit a letter from my Boston agents, one of the largest wool houses in America:

BOSTON, Aug. 31, 1887.

W. Cluxton, Esq., Peterborough, Ont.:

DEAR SIR,—With your request for a posting in regard to Canadian wool fully in mind, we now take pleasure in quoting you 35½ cents as the price current here for Canadian wools, duty paid, and would further say in this connection that those wools when brought to our market come into direct competition with Kentucky and Maine wools; and, but for the heavy duty upon your class of stock, we should be able to use a large quantity of it in this country to good advantage, inasmuch as the class of goods with which it competes is in somewhat limited supply in the States.

Respectfully yours,

FENO BROS. & CHILDE.

Mr. Dryden, a farmer, and a member of the Ontario Legislature, says in his speech on this subject:

"Last week I had a call from two American farmers, one from Pennsylvania and the other from Michigan. Both have large flocks of Shropshire grades, but the Pennsylvania farmer raises sheep for meat, and the Michigan farmer for wool. Now, how do you suppose their prices compare with ours? We sell lambs dropped in March at \$3 to 3.50, and the Pennsylvanian assured me that they got \$6 to \$6.50 for theirs. The Michigan farmer told me that the clip of his Shropshires sold for 35 cents unwashed." Mr. Dryden further says: "Open the American markets and the revenue to the Canadian farmer from wool, as well as from mutton, will be enormously increased. I say this because no other portion of the American continent is so well adapted for raising sheep as this Ontario."

THE BARLEY QUESTION.

A farmer selling 500 bushels of barley for the American market loses ten cents per bushel, or \$50 on the 500 bushels—the American duty. There is something in the climate and soil of Ontario that produces a finer quality of barley than any other part of the continent for making the excellent pale lager beer which is consumed in such vast quantities in the States, and the brewers there cannot very well do without it. Again, suppose you sold to an American a horse for \$100, it would cost him, duty paid in the States (not taking freight and expense into account) \$120. If you bought the horse back again in the States and brought it to Canada it would cost, duty paid on this side, \$144. If you sold it again to the American at \$100, which would still be the value in Canada, and bought it back a second time in the United States at \$120, the value of the horse there, and imported it into Canada, you would have, after paying the American duty of \$40 and the Canadian duty of \$48, just \$12 out of the price the horse was first sold for. And, as this would not probably pay the expenses of one trip to the States, it would have been better the first time the customs house officer said, "Stand and deliver," if you had said, "Well, I will deliver the horse; take him, and I will go home and ponder the question as to whether the producer or the consumer pays the duty?" If you follow these transactions, the illustration will show that on both sides of the line the shipper—the producer—paid the duty. And this rule works in the same way with every article which the Canadian farmer produces and sends to the United States, with the exception, perhaps, of wheat and cheese.

OBJECTIONS CONSIDERED.

The opponents of Commercial Union say that as the United States produces the same articles that Canada produces, they do not require our products, and that England is our natural market. Let us see. In 1886 we sent 15,786 horses to the United States. The stated price of these was \$1,761,490—nearly \$120 each. The duty paid on these was \$352,298. The United States imported that year from Canada 33,165 head of cattle, valued at \$443,430, on which the duty was \$89,686. Canada sent to the markets of the United States 343,862 sheep, valued at \$943,514, the duty paid was \$188,702. The latest report indicates that we sent 18,225 horses, 45,765 horned cattle and 363,046 sheep last year. Twenty per cent., the duty on horses and cattle, represents over \$451,000. Canada exported to the United States in 1886 between eight and nine million bushels of barley, which paid a duty of 10 cents per bushel, not taking into account malt, which paid a higher duty than barley.

FREE EGGS.

Canadian farmers exported in 1886 over thirteen million dozen eggs, worth in the neighbourhood of one and three-quarter million dollars. Eggs are admitted free of duty into the United States. This accounts for the great impetus given to the trade in eggs. If we had unrestricted reciprocity with the United States it is reasonable to suppose that our trade in horses, cattle, sheep, butter, wool, poultry, and other products would also be greatly increased. Farmers would get from \$20 to \$30 more for every horse, \$10 more for every ox, \$10 more for every \$50 worth of sheep, lambs and poultry, ten cents more for every pound of wool and four cents for every pound of butter exported to our neighbours across the line. What a change it would make in the butter trade? At present Canadian butter has to be sent 3,000 miles to England to compete with the German butterine and oleomargarine—imitations so perfectly manufactured that there is not one person out of a hundred who could distinguish these articles from genuine butter. If the vast sums of money paid the American Government for duties on Canadian produce exported to that country were distributed among Canadian farmers, giving them enhanced prices for

the articles they produce, many of them would be able to remove incumbrances from their farms, and they would be enabled to buy land for their sons.

At the meeting of the Farmers' Union held at Port Hope last summer, Mr. Butterworth, of Ohio, said:—"A farmer starts from Ontario with a car load of barley for New York. When he reaches the picket line the United States Government kindly takes one bushel out of every seven. He pays freight, storage and commission, and buys corn on the United States side and starts for home. His own Government stops him at the picket line, and the officers take one bushel in every four. Thus after a season of unremitting toil he is permitted to rejoice in the fact that, in exchanging his produce for things necessary for his family, he has had wrested from him by two Christian Governments one-half of his goods. Indeed, it hard for the Canadian farmer to be in a very prosperous condition. He is taxed to support his own and the American Government or protected manufacturers, and monopolist combinations besides."

LUMBER AND FISH.

I will not take up your time in discussing lumber and fish duties, as the farmers are not so much interested in them, more than to say that the duty on lumber imported into the United States is \$2 per 1,000 feet. If we had Commercial Union the lumbermen would get \$2 more for every 1,000 feet of lumber they shipped to the States. At a meeting of lumbermen held the other day in Toronto, they passed a resolution unanimously in favour of Commercial Union. They should be the best judges of their own business. The condition of the fishermen is analogous to my case as illustrated by the oats transaction. The fishermen of the great fishing port of Gloucester, near Boston, come to our coast, catch fish, and sell free of duty in the American market, while our fishermen have to pay a duty of one cent per pound to the United States Government. Our fishermen want Commercial Union, and failing to get that, they will go for annexation. Mr. Longley, the Attorney-General of Nova Scotia, says so.

THE DISLOYALTY CRY.

If Commercial Union would give us everything that political union would give, what object would there be in seeking

annexation ? The man that is disloyal to himself, his family and his country is the disloyal man. If the majority of the people believe and decide that Commercial Union would benefit the country, they will have it if the Americans are willing to give it to us. Does not this cry express a fear that the people would be so fascinated with Commercial Union that they would hunger after political union ? A prosperous people are a contented people, and a contented people do not become disloyal. In 1847 there was a great commercial depression all over the world. In Canada it was severely felt, and business was demoralised. It continued to cling to the country, and the common cry at that time was "Ruin and Decay." In the United States, with its vast resources, they soon surmounted their difficulties, and the country advanced by leaps and bounds. Then it was that Canadians began to contrast their condition with the state of things across the line, and they began to grumble ; and these grumbings soon broke out into a cry for annexation. Associations were formed to promote peaceable separation from Great Britain and annexation to the United States, and these associations issued manifestos, which were numerous signed. The Montreal manifesto was signed by 326 of the principal men in the city, viz., Rose, Galt, Holton, Ferrier, Macpherson, Redpath, Molson, Torrance and others. Some of these names have been familiar to the public for years as those of our most prominent public men, under the following titular forms :—Sir Alexander Galt, Sir John Rose, Hon. Luther H. Holton, Senator Ferrier, Mr. Redpath, the sugar refiner ; Mr. Molson, the banker ; and Mr. Torrance, importer. That manifesto stated what Commercial Unionists say to-day, viz :—"That reciprocity would render Canada a field for American capital ; render our rivers, canals and railroads the highway for the business of the west, enhancing the value of property and agriculture, and giving remunerative employment to the people. And Canadians could purchase articles at lower prices. All danger of war would cease, and there would be perpetual peace and amity between the two countries."

The Reciprocity Treaty of 1854 fully proved the convictions of that forecast. When we got reciprocity Canada took a new start by sharing in the prosperity of our neighbours across the boundary, and the cry for annexation died a natural death. If

this was the result of reciprocity from 1854 to 1866, would it not be the same under Commercial Union? Those twelve years were golden years for Canada, and many of the foundations of the comfortable farm houses we see to-day on every side, and other buildings, were laid during that prosperous period. Under the operations of the Reciprocity Treaty of 1854 the gross exchange of natural products between the Canadian provinces and the United States rose from \$20,000,000 in 1853 to \$84,000,000 in 1866.

THE BEST MARKET.

Our opponents say that England should be our market and that we should loyally deal there. Commercial Unionists say: "We have a better market at our own doors, of sixty millions of the most progressive, wealthy and enterprising people on the face of the earth." I and many others have tried the English market, and if there is anything that would be likely to make a man "commit profanity," as Mark Twain says, it is consigning produce to England. I have no hesitation in saying that if a bank engaged largely in that business, if its charter permitted it to do so, the bank would become bankrupt. In Liverpool produce is sold at four months' credit—"Liverpool terms"—and in London at two months; the shipper pays 3 per cent. commission for selling and guaranteeing the debt. The commission and other charges eat a man out of house and home. It takes seven cents a bushel to sell wheat and pay the charges after the vessel touches the dock at Liverpool. It takes 12 per cent. in Liverpool, including freight, to sell cheese, butter, clover seed, etc., and 10 per cent in London. The only safe way to do business there is to sell c. i. f., if you can do so, which is not an easy matter. If one sends 1,000 boxes of cheese, they weigh it, take full weight, and then take one pound for each cheese; so the shipper is docked 1,000 pounds. Last year I shipped 10 cars of clover seed—2,000 bags, 5,000 bushels—to England, and this winter nine more cars. In England they weigh and deduct one pound from each bag, and then another pound per bag for the draft; so that on my 2,000 bags they docked me 2,000 pounds—and clover seed, with charges added, is there worth from 8 to 10 cents per pound. I mention these matters to show the old-fashioned way they have of doing business. The brightest business men

they ever had in Montreal were large consigners of produce to England, and they all succumbed to the inevitable with one exception: they may be described as men appearing with their heads above the flood for a little while and then disappearing out of sight forever.

If a Canadian dealer sends produce to the United States he sells for cash, gets paid for what he sends without any docking, and gets quick returns with moderate charges. The farmers in Canada are three-fourths of the population and wealth of the country. If they will cling together, study their own interests, and not listen to politicians, but strive for Commercial Union, the country will reap the advantages and their descendants will call them blessed.

RECIPROCITY IN THE NORTH-WEST.

(*Correspondence of The Mail, April 24th, 1888.*)

BY F. C. WADE, WINNIPEG.

THE FRUIT QUESTION.

The taste of reciprocity gained by extending the free list so as to include fruit will be highly appreciated in North-West Canada. Throughout the several millions of square miles constituting North-West Canada, or, more properly, central British America, domestic fruit trees are unknown. Whether they can be grown or not is as yet an unsettled question. The chances are that the hardiest fruits can be produced, and that the present condition of affairs is due to the newness of the country, and the lack of interest taken in the fruit question by the old settlers. However this may be, the fact stares us in the face that we have no fruit of our own, and are compelled to go outside for every apple, pear, peach, pomegranate or anything of the kind we may require. Consequently we have had but two alternatives, either to buy our fruit from Eastern Canada, paying transport charges for 1,500 miles, and sufficient besides to guard dealers against loss, or American freights and the Canadian duty super-added. Now we have another alternative, and when it suits us to buy from the States there will be no duty to contend with. So far as bananas, olives, pineapples, plantains, tamarinds, mangoes and melons are concerned, we will experience all the benefits of the removal of the duty without interfering with any infant banana or pineapple industry in the Eastern Provinces. The apples we will probably continue to import from Ontario; but if the Clinton (Huron) *Fruit Review* is right, the Illinois apple will come north to compete with it, in which case the price will probably drop considerably below \$3.50 to \$4.50 a barrel, or 25 cents for six pounds, the prices which have prevailed hitherto. Our pears will come in large quantity from California. For some reason or other the California pears are so much preferred here to the

Ontario fruit that there is almost no market for the latter. Peaches will continue to be imported from the United States, and we look forward to early supplies of strawberries, raspberries and other small fruits from the same sources.

The likelihood is that the prices of all fruits will be reduced 20 per cent., a matter of tremendous importance to this country. Freights and duties have heretofore exalted prices to such an extent that the great bulk of the population have been compelled to do without fruit of any kind. Imagine, for instance, \$2 for a twenty-pound basket of plums, and yet that has been the common price. The removal of the duties will, by placing all fruits within the means of everyone, conduce not only to the enjoyment but to the health of thousands who have suffered severely from the total lack of fruit in this dry climate. The fruit trade between the United States and North-West Canada will immediately develop to tremendous proportions.

THE FISH SUPPLY.

The small measure of reciprocity which has been gained by the placing of fruit upon the free list of both countries, is bound to be so satisfactory in its results that it is impossible not to wish that in the near future the international free list may be extended to include many more products, if, indeed it does not take in everything. With regard to one great commodity at least, the vast American North-West is in precisely the same position as the Canadian North-West is with regard to fruit. In the whole extent of country constituting the American West and North-West there is an utter absence of fish. But fortunately, just as the United States is able to supply North-West Canada with fruit, now that the duty is to be removed, so North-West Canada is in a position to furnish an inexhaustible supply of fish to the American West and North-West. The great extent of our fish lakes has been referred to in the columns of *The Mail*. Lake Winnipeg is 8,500 square miles in extent; Lake Manitoba, 1,900 square miles; and Lake Winnipegosis, 1,936 square miles. These are regular sources of supply, within easy reach of the Canadian Pacific Railway, yet they form but a portion of the great lacustrine district extending between parallels of latitude 49° and 54°, and meridians of longitude 88° and 102°, and including the Lake of the

Woods, 1,500 square miles in area, Lake Nepigon, Rainy Lake, Lake St. Joseph, Lac Seul and numbers of others. Within this lacustrine district it is calculated that there are 20,000 square miles, or 13,000,000 acres of lakes well stocked with fish. More remote and at present inaccessible are Great Bear Lake, 10,000 square miles in extent, the Great Slave, 12,000 square miles in area, and nearer again, Lake Athabasca. Then immediately north is Hudson's Bay, half as large as the Mediterranean, receiving numbers of rivers stocked with exhaustless quantities of trout and white fish.

The export of the North-West fish to the United States has already begun. Whitefish, jackfish, tullibee, pickerel, salted whitefish, yellow pike, doré, sturgeon and perch are the varieties, and the nature of the demand can be judged from the fact that practically the whole catch goes to Buffalo, Minneapolis, Chicago, Detroit and St. Paul. Fresh fish crossing the boundary into the United States pay no duty, and since it was decided that frozen fish are not "preserved" in the sense of the United States Customs laws, great quantities are shipped in a frozen condition. But the demand for salt fish is a great and growing one. In 1886, 214,000 pounds of salt fish were shipped to Minneapolis alone. The duty on fish preserved by salting or other processes is the only obstacle to the development of an almost unlimited export of fish from North-West Canada to supply the entire country from St. Paul to the Pacific coast, and from the 49th parallel of latitude to California. The relations of North-West Canada and the United States with regard to fruit and fish are really remarkable. There are bound to be two enormous trade movements. Our fish exports will constitute a Southern movement. For years, if not for centuries, the great fish resources of North-West Canada will be carried south and west to supply the great American demand for fish in the arid regions. And at the same time there will be a great Northern movement of United States fruit of all descriptions to supply the people of the prairies and treeless plains.

COAL GOING TO THE STATES.

The future coal shipments from North-West Canada into the United States promise to become very large. The coal of the Banff mine having been adjudged Canadian anthracite, is ad-

mitted to the United States free of duty. It has already attained a reputation in some localities in the United States, and is being shipped in large quantities even to California. Since last October 5,000 tons have been exported to the Spreckles Sugar Refinery at San Francisco, and I am informed that the same establishment is only awaiting the perfect development of the mines to order 100 tons a day. Large quantities of the same coal have been used in Winnipeg this winter. The agents claim that when rid of slate and well cleaned it will displace the Pennsylvania coal entirely. On the bituminous coal the American duty of 75 cents per ton is still charged. The demand for this coal throughout the American North-West threatens to be enormous. Galt lignite coal, teamed over the prairies from Lethbridge, in Alberta, N.W.T., to Fort Benton, in Montana, is preferred at \$22 a ton to Montana coal at \$8 a ton. What could be more significant than this one fact as an indication of the extent to which the lignite from North-West Canada will be exported to the United States.

The American demand for our lignite promises to be almost unlimited, but our supply is equally limitless. Dr. George M. Dawson, of the Geological Survey, declares that the known area of true lignite coals of the best quality extends along the base of the Rocky mountains from the 49th parallel to the vicinity of the Peace River, a distance of 500 miles, with an average width of, say, 100 miles, making a total area of 50,000 square miles. The outcrop along the banks of the Belly River is placed at 99,000,000 tons. It is estimated that there are 150,000,000 tons in a workable position near Medicine Hat, 270,000,000 tons in the Blackfoot Crossing seam, 49,000,000 in the Horse Shoe Bend seam and 15,000 square miles of good lignite extending east to the Souris River and Turtle Mountain districts. Our home market could not make a perceptible impression upon such a supply of coal in a thousand years. Its true destination is the great American West and North-West. It is desirable that no impediment should prevent the export of these marvellous coal resources of the United States—to Dakota, Minnesota and Montana, and to all the country west to the Pacific and south to California. Now that monopoly has been abolished a railway will be constructed from Lethbridge in Alberta to Helena, Montana, and other railways will cross the boundary at many points to carry

the output of our coal mines to the consumers south of the international boundary. Destiny has decreed that international commerce west of Lake Superior shall sweep north and south with the magnitude and resistlessness of ocean tides.

THE WHEAT BELT.

Considering the extent of the export of wheat from the United States it might seem absurd to contend that there is any market south of the international boundary for Canadian North-West wheat. But if there is not a market now there certainly must be one in the near future. The extent of the zone of profitable wheat production in the United States is after all not very great. In 1860 J. A. Wheelock, Commissioner of Statistics for Minnesota, defined the limits of the wheat belt of North America as follows :—

The wheat-producing district of the United States is confined to about ten degrees of latitude and six degrees of longitude, terminating on the west at the 98th parallel. But the zone of its profitable culture occupies a comparative narrow belt along the cool borders of the district defined for inland positions by the mean temperature of fifty-five degrees on the north and seventy-one degrees on the south, for the two months of July and August. This definition excludes all the country lying south of latitude forty degrees except western Virginia, and north of that it excludes the Southern districts of Pennsylvania, Ohio, Indiana, Illinois and Iowa, while it includes the northern parts of these States, Canada, New York Western Virginia, Michigan, Wisconsin, Minnesota, and the Red River and Saskatchewan Valleys. In general terms it may be stated that the belt of maximum wheat production lies immediately north of the districts where the maximum of Indian corn is attained.

He further stated that physical and economical causes restrict the limits of wheat culture to the seats of its maximum production in less than one-third of the States of the Union, within a climatic belt having an estimated gross area of only 260,000 square miles, from which nine-tenths of the American supply of bread and a large and increasing amount of foreign food must be drawn. Since 1860 the belt has contracted very materially. It is stated on excellent authority that the only States east of the Rocky Mountains which produce a surplus beyond local consumption are Wisconsin, Minnesota and Dakota. There are, of course, the great territorial organizations—Montana, Idaho, Wyoming, Colorado, Utah and Nevada. Although the area of Montana is 146,689 square miles, or 93,881,184 acres, it is officially stated that only 3,346,400

acres, or one acre in thirty, are within reach of irrigation, and therefore susceptible of wheat cultivation. It is estimated that Utah, although 84,476 square miles in area, contains but 1,250,000 acres that can be irrigated without reservoirs. If, as it is contended, the area requiring irrigation extends eastward to longitude 101°, Idaho, Wyoming, Colorado and Nevada are in the same condition, as far as wheat-raising is concerned as Utah and Montana. As a matter of fact, the thinly populated Province of Manitoba alone during last season produced about twice as much wheat as Nevada, Idaho, Montana, Utah, and Colorado taken together. Making allowance for California and Oregon, it is plain that the wheat zone in the United States is very small indeed in proportion to the total area.

More than that, while the population is increasing with marvellous rapidity, the wheat belt is decreasing. What could be more suggestive in this connection than the following extract from the Grand Forks (Dak.) *Herald* of a recent date:—

Farmers in South Dakota are talking of abandoning the future raising of wheat to any great extent. They say it costs so much for machinery, horses and extra help for threshing that they cannot realize any profits on their crops. Scarcely any wheat in South Dakota is graded higher than No. 2. They are of the opinion that corn will pay much better.

THE DEMAND FOR SEED GRAIN.

Corn is rapidly pushing the wheat northwards. It may seem a bold statement, but it is probably true nevertheless, that if the American duty of 20 cents a bushel were taken off Canadian wheat, the entire surplus product of Manitoba and the North-West for years to come would be purchased by United States dealers for seed purposes. American wheat in almost every State and Territory needs regenerating. New seed is everywhere required, and as no wheat possesses a greater vitality and germinating power, gives a greater yield, or produces better flour than that of Manitoba and the North-West, there will be an immense demand for it from the south of the line. Within the last five months quite a quantity of No. 1 hard has been consigned to farmers on the other side, and sold to them for seed purposes at \$1 per bushel, they paying the additional 20 cents duty. We cannot hope to export much at this figure, but if the duty were removed the demand for Manitoba No. 1 hard for seed purposes would immediately be-

come very large. What was not sold for seed would find its way out by Duluth for Liverpool, and even for that the farmer would receive from five to eight cents more per bushel than can be got from shipping by Port Arthur. It may seem strange to say that when the market price is ultimately made at Liverpool wheat sells for several cents more south of the boundary than north of it. Nevertheless it does. The *North-West Farmer* calculates that the farmers of Southern Manitoba lost \$250,000 this year by not being able to sell at American prices on the other side of an imaginary line. Facilities of transport possessed by buyers and their ability to turn over their money rapidly enable them to pay much better prices than are offered at Port Arthur. The removal of the duty of 20 cents per bushel on wheat would be worth millions of dollars to Manitoba and the North-West in very few years.

THE PROSPECTS FOR BARLEY.

Unrestricted reciprocity in barley would be an invaluable boon to the Canadian North-West. Present signs indicate that the barley crop of Manitoba and the Territories will presently assume tremendous proportions. The estimated crop for Manitoba for 1887 was 2,000,000 bushels, and for the Territories about one quarter of a million bushels. But these are the merest beginnings of the production which will soon develop in earnest. The barley of Manitoba is adjudged to be the best upon the continent. It is contended that there is no possibility of fairly judging, according to the standard now in force, of the relative values of our barley and that raised in Ontario. Light barley, such as that of Ontario, weighing 44 to 49 pounds to the bushel, and graded as No. 1, cannot really be compared in value with barley weighing 51 to 52 pounds to the bushel and graded the same. It is held that the inspected No. 2, shipped from Manitoba, is better value than the ordinary standard No. 1 of the Dominion. In bulletin No. 2, dated September, 1887, Prof. Saunders, director of the Central Experimental Farm at Ottawa, compares the average vitality of the grains of Manitoba and the North-West, with that of the grains of Ontario, and finds the vitality of the barley of the Canadian North-West is to the vitality of that of the Eastern Provinces as 97 per cent. is to 73 per cent. The Canadian Malt Company of Detroit,

Michigan, received from 30,000 to 40,000 bushels of Manitoba barley this last year, and this is their testimony :—

We gave instructions to our brewer to make three special brewings, one from Manitoba barley, one from best Western barley, and one from Ontario barley, in order to fairly test their respective merits. The result was four and one-half barrels more for 100 bushels from Manitoba malt than from Western, and greater gravity ; and four barrels for 100 bushels more than that produced from the same quantity of Ontario malt.

If 100 bushels of Manitoba malt are worth four barrels of beer, or \$40 more than the same quality of any other malt, it is plain that, if allowed to do so by the tariff architects, we shall soon export vast quantities of barley to the United States. It is to the interest of this country, therefore, that it should have the freest of free trade with the United States, so far as barley is concerned.

CEREALS GENERALLY AND POTATOES.

Owing to the exceptional vitality of North-West seeds, they are in great demand for regenerating all the cereals of the United States. In the bulletin just referred to, issued from the Central Experimental Farm last September, after comparing a number of samples of grain from Manitoba and the North-West with Ontario, and the Provinces East, Prof. Saunders rated their vitality as follows :—

NORTH-WEST PROVINCES.		EASTERN PROVINCES.	
Proportion of Vitality.		Proportion of Vitality.	
Wheat.....	96 per cent.	Wheat.....	92 per cent.
Barley.....	97 “	Barley.....	73 “
Oats.....	95 “	Oats.....	65 “

The results of the experiments were accepted by him as proof of the fact that “grain grown in the Northern countries possesses more vigour and vitality than that produced in more Southern latitudes, which makes it more valuable for seed.” It is well known that the United States grains are in need of being regenerated by the introduction of new and vigorous seed. I am told on good authority that the vitality of our grains is so great, that with the removal of the various duties our surplus crop, not only in wheat but in several other grains, could find a very profitable market in the United States for seed purposes alone, not to speak of anything else,

Quite recently a brisk trade in potatoes has sprung up between Winnipeg and Chicago. The potato crop seems to have been a failure in every part of the United States this year, except Northern Dakota and Northern Minnesota. A great demand for Manitoba potatoes has set in. A few months ago Manitoba potatoes were quoted at 25 cents. Now they are bought from the farmers at considerably over 40 cents, invoiced to Chicago at 50 cents, and sold there, the Early Rose at \$1 per bushel, and Mixed at 90 to 95 cents. During the last five weeks no less than from 70 to 100 carloads have been shipped to Chicago, and the trade is increasing in volume. North-West potatoes have in fact taken a hold upon the American market which will never be relinquished. They rank higher than any other potatoes in flavour and dryness, and are far more productive. With them the light skinned, stunted tubers of Wisconsin cannot be compared. The Manitoba potato crop last year was estimated at 2,750,000 bushels, and the average yield was placed at 250 bushels to the acre. As double that amount can be grown to the acre, and no United States potatoes can stand before those produced from the soil of North-West Canada, a trade has been begun which promises to be one of the most important and valuable to the whole country. The only impediment is the duty of 15 cents per bushel, which, though not prohibitive in times of what is almost a potato famine in the United States, must seriously interfere with, if it does not destroy, the export in better years.

SUMMING UP.

The trouble of collecting all the above important particulars has been taken for the purpose of refuting the oft-asserted but absurd idea that the products of the American and Canadian North-West are so similar that there can be no trade between the two countries, and that therefore they would not be benefited by unrestricted reciprocity. The list might be indefinitely extended. We have the interminable forests of Hudson's Bay and the Rocky Mountains; we have iron, salt, gypsum, petroleum. On the Slave River in the North-West, the Salt Plains cannot be crossed in half a day. What more is necessary to show that nature has decreed that all this vast country, call it North-West Canada or Central British America, as you will,

shall trade freely and unrestrainedly with the great nation to which it is joined by nature at every point along its boundary, but from which its trade is now driven back by an almost prohibitory tariff? The reciprocal trade which should sweep back and forth over the two countries like a mighty wave is rendered stagnant by the foolish interposition of man.

THE ONTARIO FARMERS' INSTITUTES AND COMMERCIAL UNION.

Circular issued by the Executive.

The following was forwarded to the various Farmers' Institutes in Ontario which have declared themselves in favour of Commercial Union between Canada and the United States :—

At a meeting of the Executive Committee of the Permanent Central Farmers' Institute, held in Toronto, August 4th, 1887, the following resolutions were passed :—

1. That this Executive Committee do now proceed to take steps to form an organization in each electoral district or county in which Farmers' Institutes have declared by vote in favour of unrestricted reciprocity or commercial union, with a view of promoting the same between Canada and the United States.

2. That a circular be addressed by the president and secretary to the different individual Institutes which have declared in favour of a removal of all restrictions on trade between the United States and Canada, asking them to take steps to have all the farmers within the territory of each canvassed at the earliest possible moment to ascertain their views in reference to the above question, and that suitable forms be furnished them by the secretary for this purpose.

Now that a season of comparative leisure is at hand, in compliance with the terms of the above resolutions, we forward to your Institute the accompanying forms for the prosecution of such canvass, and urge upon you the advisability of at once forming an organization or organizations within your territory, which shall give early and vigorous attention to the furtherance of the work in hand.

Permit us to remind you of the necessity of taking early action, in view of the fact that this question will assuredly be considered at Ottawa during the next session, and of selecting the most prudent and energetic members of the community to take the work in hand. Select them from both classes of politics, for this is purely a question of economics and not one of politics, and make it your earnest endeavour to unite the farmers for the protection and furtherance of their own interests,

which will so largely be affected for the better or the worse by the success or failure of this movement.

You are aware, doubtless, that out of some twenty-seven Institutes so far reported as having voted on this measure, twenty-five have declared themselves favourable to it by overwhelming majorities, and in most cases unanimously, and numerous gatherings of farmers in other parts of the country have similarly declared themselves. Not a few advocates of the measure—the movers and seconders of the resolutions—have hitherto been at variance in politics. Where the expression of opinion has been so unanimous, it is the plain duty of the Executive Committee of the Central Farmers' Institute to seek to secure the end to which all this expression of opinion directs, by endeavouring to give practical shape to what must otherwise prove ineffective.

The benefits that would accrue to the farmers of Ontario, and indeed to the whole province, have been so frequently laid before you that it is quite unnecessary to repeat them here. We believe that no farmer who has studied this question with a sincere desire to reach the truth, will deny this statement. Where the expression of sentiment has been so unanimous it must receive attention. The members to whom you have given seats in the Legislature, as well as the nation at large, have a right to regard your wants; and we now urge you to take such action, and at once, as will cause your representatives to espouse your cause on the floors of our parliaments as their own.

The justice of these conclusions is even more apparent when we consider the relative strength of the farmer's interests and the amount he has at stake. He is the owner of more than two-thirds the material wealth of the whole Dominion, and he outnumbered all other classes of the community more than two to one, and yet have the true interests of the farmers been considered? Is it not, on the contrary, true that the material advantage of the minority has been advanced at the expense of the majority; and has not this majority been a burden-bearer to the advantage of others? We therefore urge upon the farmers of this country to unite in their own common cause and for their own advancement. For the furtherance of your interests an opportunity has come to you such as may never come again, either in your day or in that of your children, and we appeal to you in the name of your manhood, for the love you bear your country and the interest you have in its advancement, to

arise in your might, and so work together that no power in the country will dare to say to you that you shall not have unrestricted trade with the United States, should it be offered to us by the latter country. Remember that if this great material boon is secured, it will be secured by the united action of the farmers, and if it is lost, it will be lost through the indifference of the farmers.

When men say to you that you are disloyal because you are seeking to better your own condition, point them to the magnificent country that your hands, more than theirs, have helped to make the brightest gem in the coronet of Victoria, and which you are always willing to defend. When they clamour that you are discriminating against Great Britain, tell them Great Britain will not pay your mortgages, assume your liabilities or give you better prices for your produce. When they say to you that you are seeking annexation, let the loyalty which the farmers have always shown to the institutions of this grand country and their efforts to make it what it is, be their answer. When they tell you the United States does not want reciprocity, think not that they know the intentions of the Americans in this respect. And when they say to you that United States produce will swamp your markets, remind them of the superior producing power of the farms of Ontario as compared with those of the United States; tell them that the farmers of this country are not afraid to compete in an open field with those of the neighbouring country; that you have faith in your own industry, ability and energy, and that if *they* lack in these it is no reason why you should; assure them that the farmers of Ontario are competent to judge for themselves of their own needs.

We urge you once again to take immediate action. Form Commercial Union clubs not only in every electoral district, but in every township thereof, if possible, and canvass every farmer. The help of every farmer is wanted in this great battle. You, delegated to the executive work to be done in this cause for our common interest—show by your action that you grant we have done our part thus far. The time for words has passed, work is now wanted and asked for at your hands. By the great interests at stake, we ask our farmers to give it. We are not seeking any advantage over other classes, but simply equal chances. All we want is fair play and no favour. By

the remembrance of long years of past disadvantage, we ask you to take possession of this your lawful heritage. By the thought of recent years of toil, with only an annual advance of .028 per cent. per annum on your investments; including all your improvements, we ask you to try to better your material condition. By the remembrance of the old homestead, soon to pass, it may be, into strangers' hands, the sons or daughters thereof gone or going to live and die in another country, we ask you to try and keep it in the family. By the thought of nearly 1,000,000 of the best of our citizens gone to help to make the neighbouring republic great, we plead with you to arise in your might and say with one voice that you want unrestricted trade with the United States, and that not a man of you will cease to work until your wants in this matter have received that attention at the hands of your representatives which their importance deserves.

V. E. FULLER,
President.

THOS. SHAW,
Secretary.

CENTRAL FARMERS' INSTITUTE.

The following is the declaration which the farmers are asked to sign :—

We, whose names are hereunto subscribed, are of the opinion that it is necessary for the agricultural community, and those directly interested in agriculture, to unite firmly and cordially to promote their interests, and by so doing to help every other legitimate interest in the country, since successful agriculture is the principal basis of true Canadian prosperity. Unrestricted free trade with the United States would be the greatest attainable material boon for the farmers of Canada at the present time. We are further of the opinion that the necessity is so urgent that men should sink minor differences and agree upon united action to obtain the desired Unrestricted Reciprocity or Commercial Union. We therefore agree, by our votes and influence, in every legitimate manner, to promote the attainment of this object; and until the removal of all restrictions on the trade of the two afore-mentioned countries is obtained, we will lay aside ordinary political differences, and make its attainment the primary object—electing to our representative bodies only such men as will make it their essential platform.

SPEECH ON COMMERCIAL UNION AT THE TORONTO BOARD OF TRADE.

(June 16th, 1887.)

BY MR. HENRY W. DARLING, TORONTO.

In the history of the discussion of public questions in Canada there has probably been no subject which has taken such a hold upon the public mind, or opinions which have so rapidly matured, as the one which had claimed their attention at the two previous meetings, and which now claimed their attention that night. It was natural that the subject should be at first regarded with some anxiety, and there were unquestionably some strong prejudices against it; but the disposition which was shown here to prevent the fullest discussion of it and to force an unfavourable verdict from this Board before a full discussion had taken place, unquestionably intensified the public interest in it, and has given the question an impetus which probably nothing else could have done. Mr. Macdonald sought to minimize its importance by expressing a want of knowledge as to the quarter from which the proposal emanated. He repeated the same remark in both his speeches. Now, even if the proposal for Commercial Union had emanated from individuals having the most selfish interests to serve, it would have made no difference in the importance of the subject. As a matter of fact, however, it arose out of the unsettled Fisheries question, and the introduction of the Butterworth bill into Congress suggesting this method of settlement of an international difficulty periodically recurring. This was attended by the passing in the same session of what is known as the Retaliation bill, and necessarily the probable effect of the one and of the other has become a question of absorbing interest. The attitude of Canada has been dignified and consistent throughout. She regarded as a common benefit to both countries the former reciprocity treaty, of which she earnestly sought a renewal on more than one occasion. These overtures

having been refused, she adopted her own course, and showed the people of the Republic that Canadians were possessed of a good share of British self-reliance, and while we would gladly have cultivated closer commercial relations with them, neither our existence nor our advancement were absolutely dependent upon them. When overtures are made by the Republic for closer commercial relations it seems to be a duty of the plainest kind to discuss these proposals and to look at them in all their bearings. Light upon the subject can only do good, and the improved attitude of the Board is highly significant and is in itself an index of the public mind.

Now let us endeavour to clear away some of the obstructions raised by way of obscuring the merits of the case. One obtained expression by Mr. Beardmore in a most offensive way to the effect that those who were discussing this matter were annexationists at heart. He (Mr. Darling) not only denied this, but he contended that the consummation of this proposal would do much to avert any desire which might be abroad for annexation, and would entirely remove any material object to be gained by it. The action of two parties was necessary to consummate annexation. He proceeded by quotations from a speech by Hon. Robert R. Hill, a member of Congress from Illinois, and a memorandum concerning Canada made by Mr. Wharton Barker, to show the favourable attitude that American public men took on the subject. He had every reason to believe these opinions reflected the opinions of the people of the Republic. There were two ways by which annexation could be brought about—by conquest and by common consent. By conquest the Republic would find itself, if successful, in a position similar to that of Russia with Poland, and under such circumstances would never have a valuable acquisition. Nor are they likely to attempt it. At present there is no desire for annexation in the minds of either people, but when it does exist it will take place as a matter of course. On the other hand, if all the advantages of annexation can be obtained by commercial union all reason for it would be removed, there would be nothing to be gained, and our political status would be preserved. He ventured to remind those who have any disposition to thwart discussion upon this subject that if they refuse to discuss the means whereby the commercial relations between the Republic and Canada can be improved, and if our statesmen decline at

the dictate of any selfish class of this community to take advantage of any advances by the Republic to this end, they will probably find that it is not reciprocity nor commercial union that will be discussed, but that there are disintegrating elements in existence which may bring about discussion of annexation pure and simple. The sentiments of loyalty and patriotism which this discussion has evoked and will evoke are not more than might have been expected. Where they are sincere they are most creditable, and the absence of them would be ingratitude of the very deepest kind. Canada has asserted the principle, however, in connection with her fiscal policy, that the course which is to be pursued is that which is best for Canada. The imposition of protective duties was justified upon the ground that they would stimulate her manufactures, and be a lever by which a new reciprocity treaty with the Republic would be obtained. Our statesmen have defended this policy to the people of England upon the ground that discrimination against the Republic was the object in view, but England as plainly said, we do not thank you for your discrimination, we do not approve of it ; we see nothing in it but an utterly selfish policy ; every new session of our Parliament sees another step taken in this selfish policy. They had all in mind the sentiment that was uttered by the organ of the protectionists, that if the British connection suffered through the adoption of the protective tariffs, it was so much the worse for British connection. They must look with some degree of distrust, therefore, upon the extreme abhorrence by the Canadian manufacturer of the United States manufacturer, and his solicitude for the British manufacturer. He thought it had been pretty conclusively established by the discussion which had taken place that such commercial intercourse with the Republic would be extremely advantageous to our farmers and agriculturists. It had been argued that they are very well off already, and statistics had been quoted to show how prosperous they were. Admitting all this to be true (although a good many farmers will have something to say upon the subject), it is no reason why they should decline to take ways and means to enhance their prosperity. They have been taught by advocates of the National Policy to believe that their home market is the best market, and the country at one time rang with the demand which was to spring up for what was termed their "garden sass," in con-

sequence of their proximity to a large industrial population. It was not to be wondered at, therefore, if they sought to have these advantages in even larger measure than they already enjoyed them by the freest access to the industrial population of the adjoining States. The conditions of agriculture are changing. It is no longer profitable to grow wheat in Ontario for exportation at the present prices. Crops less exhaustive to the soil and a greater variety of products are desirable, and with access to such a market as the United States affords, these could be secured. Commercial Union would be good for lumbermen. Timber will no longer be exported. There would immediately be an added value to standing timber of every kind. There was any quantity of timber going to waste or being burned which would at once become valuable as an article of export. They must husband their forest resources and make them as productive as possible. Commercial Union would be good for our fisheries, our coasting and carrying trade and our milling interests. Now, what remained? There were the manufacturing, and what he may call the jobbing, interests. Mr. Macdonald says the result to these interests would be ruin. Mr. Wilkie draws a picture of appalling desolation. Canada would be very much in the position of any of the States in the Union. They would have the same advantages and disadvantages. Did they confess that Canadians would be found inferior in ability or enterprise to their rivals? Canadians have distinguished themselves in every walk in life, and occupy high positions in every State in the Union. Doubtless there would be changes. The United States would benefit by the introduction of their goods, but surely Canadians understood the science of the distribution of commodities and would not be wanting in industry and enterprise. Mr. Wilkie had said that all Toronto's wholesale business would go to New York. He had statistics in his possession, however, which he thought would confute that view. The statistics were to the effect that Rochester and Detroit, two cities whose population was similar in number to that of Toronto, distributed about the same amount annually as Toronto. This did not seem to establish the fact that the position of these places as distributing centres was lessened because of want of protection from the business men of New York. Rochester, Buffalo and Detroit are large distributing centres, and they have no country behind them, but must cultivate the field be-

tween them and New York. The merchants of Toronto, served as they are by far-reaching lines of railway, and with a firm hold of their trade, their capital and energy would ultimately assert themselves and share in the added prosperity of the country at large. Mr. Macdonald says that as soon as commercial union was accomplished the cotton factories would all close up the next day, and yet they had Mr. Thompson telling them that they were selling articles as cheap as they can be bought in the States. They must be careful how they arrayed themselves in opposition to all these national interests that he had mentioned. No manufacturer had said that he would be closed up next day. He could understand the plea, "Let me alone, I am doing well." The conditions were similar in both countries. There was the age and youth of communities. All the States have established their new factories as they have required them. Canada must do the same. New factories begin where others leave off. There could be no doubt there would be disadvantages at first. What they required was more capital and a larger market. He instanced the cotton industry, into which capital poured after the adoption of the protective tariff. Now the manufacturers of that fabric found that there were more spindles running than they could find market for the produce of. Moreover, there was no assurance of the permanence of the present policy. It was still experimental. It was significant that party ties were being loosened just now on all hands, and a new division may occur at any time. Under Commercial Union permanence would be secured.

Coming to Mr. Cumberland's remarks, he said that what that gentleman had stated about Germany and the Zollverein was an historical error. He stated on the authority of a gentleman whose word would be unquestioned—Mr. Goldwin Smith—that Mr. Cumberland's statement was erroneous. Mr. Cumberland had twitted him with having made a huge jump over the fence. He thought it extraordinary that he, a free trader, should be found advocating Commercial Union. All he had to say in reply to this was that whatever benefits were derivable from protection were largely increased in connection with sixty million people. The evils were largely minimised from the same cause. He now came to the point that Commercial Union would discriminate against Great Britain. He did not desire to dissemble the gravity of this branch of the question. He firmly held to the

opinion that the union should only be accomplished with the consent of the Mother Country. On a limited scale it would be in consonance with the most cherished principles of Great Britain. When the union was accomplished a portion of the British Empire would be then in enjoyment of free trade with the United States. It might be the precursor of larger things. Britain could not object to the principle, but only to its limited application. It would be injurious to her no doubt, but the thoughtful people of England could not forget the geographical contiguity of Canada to the United States. He did not believe that Great Britain would ever say nay to the strongly expressed desire of Canada. Were Great Britain, however, to say that the consummation of commercial union would mean separation, he freely admitted that the scheme would unquestionably fall to the ground.

He desired to express his sincere and honest conviction that this free intercourse with the Republic would be of immense advantage to the Republic and Canada, and give an enormous impetus to the development of our natural resources, and prove of lasting benefit to both countries. Occupying the position he did he could not advocate the adoption of any course which would be destructive to any important commercial industry of this country or of its prosperity as a whole. They were aware that these meetings had been called at the instance of the Council of the Board of Trade, the object being to afford an opportunity for discussion. The rules of the debate required that they should proceed with a resolution before them. That which he had the honour to move affirmed that the subject was worthy the fullest investigation and the earnest consideration of our people. He did not desire to commit the Board further than that. He congratulated them upon the important contribution that had been made to the discussion, which must be regarded as worthy of the Board and of the important interests which it represents.

THE MANUFACTURING INTERESTS IN RELATION TO COMMERCIAL UNION.

[*A Reply to the Hon. James Young, M.P.P.*]

BY J. DRYDEN, JR., GALT.

The Hon. James Young has recently addressed to the press a series of able letters on the subject of Commercial Union. He presents a candid and clear statement of the case from the Restrictionists' point of view, which I propose here briefly to examine.

Like many opponents of Mr. Butterworth's proposal, Mr. Young spends a good deal of time and energy to show that it is not Commercial Union but Reciprocity which we want, when the simple statement of the fact that we can't get Reciprocity ought to set at rest this Reciprocity business. A writer who has given the subject so much study as Mr. Young evidently has given it, should know that the Reciprocity Treaty of 1854 was terminated by the United States because they found that Canada secured thereby a market for \$229,000,000 worth of products, while the States sold scarcely more than half that amount to Canada. What is the use of harping about partial Reciprocity when the United States have time and again refused it? We have a standing offer on our statute books, but this has been ignored.

Mr. Young sets out with the statement, often rung in the ears of our farmers, that the agriculturists are not "suffering serious disadvantages as compared with our American neighbors," but that they are "wealthier, healthier and happier" than in the most favoured parts of the Union. Assuming this to be correct, which I doubt very much, does it necessarily follow that the Customs line is not a serious impediment to the prosperity of the farmers of Canada, and that they would not gain anything by an enlarged market? If the farmers of Ontario are more prosperous than those of the States, is it not be-

cause Ontario possesses a better soil and climate and is inhabited by a more frugal and industrious class of people? On this point, however, Mr. Young does not give us any reliable data. Even supposing the farmers of Ontario are in a better position than those of the States, the mere fact that a large proportion of our surplus population seek farms in the Western States in preference to our own North-West, and the further fact that the Western States are settling up rapidly with foreign and other immigration while our own Canadian North-West is at a standstill, should disprove the statement that the farmers of Canada (*i. e.*, over the whole Dominion) are in a better position than those of the States. The whole case of Mr. Young seems to be a strained attempt to prove that Great Britain is a better market for our farm produce than the United States. I take his figures. They are as follows:—

Surplus farm production.	\$150,000,000
Exported to Great Britain...\$22,543,936	
Exported to United States.. 15,495,783	
Exported elsewhere..... 1,678,493	39,718,212
Home market consumed....	\$110,281,788

The above is for 1886. Then he goes on to say that our home market is "incomparably the best which our farmers possess, while that of Britain ranks second and that of the United States third." His conclusion is of course that Commercial Union is bad and Protection good. Here Mr. Young has not gone far enough. His conclusion is not justified. His statement is lacking in one important particular. He does not nor can he say how much, if any, this home market has been built up by our restrictive or Protective policy. If Mr. Young can show that our home market has been built up by tariff restrictions we will tell Messrs. Wiman and Butterworth to stay at home and we will build a real "Chinese wall" along our border.

Mr. Young next gives a statement showing the exports from Canada to Britain and to the United States during the last seven years. During those seven years there was sent to the United States \$108,437,212 of agricultural products and to Great Britain \$208,102,110, showing that Britain took nearly \$100,000,000 more agricultural products from Canada than the United States took from us during those seven years. He then

gives the following statement which he has compiled from official records. It is a valuable statement and ought to be studied by every Canadian who wishes to post himself on this question :—

	U. S.	Gt. Brit.
Cattle.....	\$ 724,967	\$4,998,327
Horses.....	2,189,394	19,279
Sheep.....	831,749	317,987
Butter.....	17,545	773,511
Cheese.....	20,219	7,261,542
Eggs.....	1,722,579
Meats of all kinds.....	83,570	698,776
Wheat.....	325,271	4,789,276
Flour.....	125,520	1,092,461
Oatmeal.....	15,630	297,415
Barley.....	5,708,130	11,248
Indian corn.....	59,450	1,330,131
Oats.....	87,697	1,160,528
Peas.....	377,003	1,739,917
Hay.....	897,806	69,534
Potatoes.....	374,122	192
Hides and skins.....	468,461	785
Wool.....	271,424	45,254
Apples.....	55,302	410,898

Then from this imposing array of figures Mr. Young comes to what he considers the irresistible conclusion that "this makes it tolerably clear that Britain is our principal market for foreign export." We are indebted to Mr. Young for these figures, but his conclusions therefrom or his interpretations thereof we must decline with thanks. Mr. Young has here fallen into the error—which seems to form the basis for the stock butt argument against Commercial Union, but which we should scarce expect from a writer who has given the subject much study and research—of comparing our exports to Britain with those to the States in order to find out which is the better market. Did it not occur to Mr. Young, when compiling these statistics, to ask himself the question, "Why are the people seeking Commercial Union?" Is it not to rid themselves of a high tariff, or in other words a "Chinese wall" which prevents us from exporting to the United States? That is the object of the "Chinese wall," to keep Canadian products out of the United States market, and that it has fulfilled its object is evident from the length of time it has been in force. Mr. Young, in

his zeal to prove what he claims to be his stock argument, forgets that in Britain we have a free market, while before we can get to the United States market we must climb this "Chinese wall." It merely requires to be mentioned to be seen how unfair is the comparison between the United States and English markets, and how mistaken and absurd the conclusion that because we export more to a free market than to one that is not free, therefore the former is our natural market for our surplus products, the market from which the farmer is to derive his wealth, the market in which to sell the hard-earned product of honest toil. Give us a free market in the United States and I venture to say that our exports to that country will be double that at present sent to Britain. Give the farmer ten cents a bushel more for his barley and there will be such astimulus given to the production of barley that in place of sending \$5,000,000 of barley to the States we will send \$10,000,000. Give the farmer 20 per cent. more for every horse sent to the States, and in place of \$2,000,000 worth of horses, we will send annually across the lines \$5,000,000. If we can send over \$700,000 worth of cattle to the United States and pay the high duty, is it not reasonable to suppose that with the removal of the duty the cattle export to that country would be greatly enlarged? If we can export over \$1,000,000 worth of sheep and wool and pay the duty, will it be denied that with a free market the export would be more than doubled? Look at the above statement again. See the item of eggs. This is the only product admitted free to the States' market. And what do the figures show? Nearly \$2,000,000 worth of eggs have been shipped across the lines, and not one dozen of eggs has been shipped to Britain. How do the opponents of Commercial Union account for this showing? Will they have the hardihood to deny that that business would not have amounted to its present enormous proportions with tariff restrictions placed upon it? Mr. Young professed some solicitude for the Town of Galt. In this town we have a large egg business. Will Mr. Young deny that it was "Commercial Union" in this particular product that built up this business which is of so much value to our town and surrounding country? Let us be fair to ourselves, let us be honest, and give credit where credit is due. Why not ship these eggs to Britain if Britain is our natural and principal market? In this article we have Commercial Union, but, con-

trary to the logic of those British loyalists who see in Commercial Union Annexation, the two countries still remain separate politically.

Again, these figures show that Mr. Young's contention is absurd that on the removal of the duties the competition of the American farmer would prove disastrous to our farmers. Surely if we can compete with the American farmer in his own market, as the above statement shows we are competing, and pay a high duty to get into his markets, no one is so dense as not to see that the American farmer cannot compete with our farmer in our own market. We are shipping over \$800,000 worth of sheep annually to the United States and paying a duty thereon, and according to Mr. Young if that duty is abolished by Commercial Union our market for sheep in the States will likewise be abolished, of which contention any farmer will see the absurdity. So with the other articles mentioned in that statement which compose all the principal farm products of Canada.

The writer goes on to say that our British market would be ruined by Commercial Union, a statement which he neither explains nor substantiates. Does he mean to say that England will shut her doors against us if we adopt Commercial Union? If so why does she not shut her doors against the United States? Does he mean to say that her buyers will retaliate and fight shy of Canada altogether? Then why does she not refuse to purchase American products? Is this English justice? Is this British fair play? Mr. Young might have added another leaf to his statistics to show us what amount of farm products England buys from the United States. He might have told us such exports are in the neighbourhood of \$90,000,000, while the Mother Country only favours Canada with \$25,000,000. Talk of British loyalty! Why, our loyalty to the Mother Country has only a market value in England of \$25,000,000, while the Yankees sell their loyalty to the British flag for \$90,000,000! Every one, every farmer at anyrate, will clearly perceive the benefit to our farmers of free importation into the United States markets, but that is only half of Commercial Union. Our farmers need not be told that the free entry of American manufactures and some of her natural products into Canada would be money in their pockets. Mr. Young seems to lose sight of this phase of the subject, or at any rate

he fights shy of it. The farmer need not be told that with cheaper corn he could raise cheaper and better beef. He need not be told of the immense savings in the cost of implements and the reduction in the cost of raising grain which this saving would cause. Mr. Young is careful not to mention the saving in the cost of living to all classes, farmers included, which Commercial Union would effect. No greater boon could be given to the settlers of the Northwest than cheaper implements. Half a million dollars would have been saved to the farmers of the Northwest in this one article of farming implements if allowed free entry, and perhaps much of the present discontent and talk of rebellion would have been averted. Manitoba is essentially a wheat-growing country and anything having in view the establishment of manufactures on the prairies is surely an insane policy. Anything that will prevent the fullest development of its natural riches, the fertility of its soil,

MUST HAMPER THE GROWTH OF

and destroy our hopes of seeing in the near future, a great nation in itself, great in the wealth of the productions of its soil, great in its British institutions, and imbued with a Canadian national sentiment.

I can conceive how a good deal can be said against Commercial Union from a manufacturer's standpoint. I can conceive how something can be said in favour of Protection even from a farmer's standpoint so long as the United States keep up their high tariff wall. But it is inconceivable how any one, looking at the subject for a few moments from a simple honest standpoint, can come to the conclusion that the complete obliteration of the tariff walls on both sides of the boundary is not in the highest degree desirable for the great producing population of our country.

I had intended to deal shortly with the manufacturing aspect. But this subject is so vast, such a community of interests enter into it, that to discuss it with any semblance of justice would require a separate article. However, I just want to say a few words here. Mr. Young says that if Commercial Union can be proved a benefit to the agricultural classes he will support it heart and soul. This is an important admission. He admits that the farmers' interests are paramount to those

of the manufacturers. In other words, he is willing to see our whole manufacturing industries ruined if the farmers are going to be benefited. Our manufacturers will remember this. His remark that Commercial Union will prove disastrous to such rising manufacturing towns as Galt will be

TAKEN FOR WHAT IT IS WORTH

by our manufacturing classes. I do not believe that they will be led away or prejudiced by any such statement. I have no doubt that many of them, in our own town at any rate, which has been justly called the "Manchester of Canada," will resent such an imputation. Most of our manufactures were established before we adopted Protection. They have become firmly rooted, and if anything were needed to show that they can hold their own against American competition, it is the fact that they are now shipping their manufactures across the lines and finding a market there, paying a duty thereon and competing with American manufactures on American soil. Give them a free entry into the United States, and I question very much whether they will seriously object to Commercial Union, if they do not indeed favour it.

Mr. Young has not touched upon the national and political aspect of the question, but I am glad to know that he promises to take up this phase of the subject in a future paper. This paper will be looked forward to with interest. His readers will be curious to know how he will account for the present disintegrating forces at work in the Dominion, how he will reconcile the present discontent in Manitoba and the other outlying Provinces with the idea of a Canadian nationality. I shall be curious to know how he views the alarming increase in our Dominion debt. I shall be curious to know what view he takes of subsidising outlying Provinces at the expense of Ontario to prevent them seeking relief from the bonds of Confederation. As to the political or

ANNEXATIONIST ASPECT OF THE QUESTION

Mr. Young has expressed himself pretty clearly. He will, no doubt, emphasise this point and endeavour to prove that Annexation will undoubtedly come from Commercial Union, and from

that he will tell us to beware of that dread monster that brought disaster, commercially, politically and morally, when it swallowed up all the States and united them under one Government, and we shall no doubt learn that California and other later acquisitions have been sorry and repentant all the days of their wedded life. I shall expect to be told that Commercial Union, with its accompaniment, Annexation, will flood Canada with bad morals and infidelity. He will see nothing in the teachings of Sam Jones, Moody and other American evangelists, but secession, hoodlumism and disloyalty. We shall be curious to know how the morals and religion of one million of our brothers across the lines have been affected, and if they have succeeded in holding their own with those shrewd, unscrupulous, Yankee monopolists. We shall perhaps learn that they have succumbed to Americanism and that they died cursing the land of their adoption. And last, but not least, if we are "to endure the ills we have," how are we to prevent another million of our brothers being enticed away to that deadly and inhospitable climate?

II.

A POLICY THAT WOULD BENEFIT CANADA.

When the Commercial Union movement was first inaugurated the cry of the Restrictionists was that it would ruin the farmer. This cry of course came mostly from manufacturers or those interested in the maintenance of a high tariff. Notice their magnanimity or supreme unselfishness. There was no word about the ruination of their own businesses. They saw that if they gave the real reason for their opposition to Commercial Union, *i.e.*, to fleece from the consumer their thirty per cent. tribute, they would only be adding fuel to the agitation, they would at once array every farmer and consumer in favour of the movement. This would unite the farmers as they never were united. Perhaps those farmers who are so blind to their own interests, who are so easily led astray by the politicians, would experience a rude awakening and for once see their true interests, which are the interests of Canada. But not so. The manufacturer would not take the bull by the horns. He preferred to fondle the farmer, to take a deep in

terest in his affairs, and tell him that Commercial Union would give him no more for his barley and horses and add nothing to the value of other produce. Unfortunately we yet have in Canada a few farmers who can be "bamboozled," so to speak, and it is to be feared a few have allowed themselves to be so treated. These tactics, however, are now failing. The benefits to be derived from Commercial Union have now been made so clear that a man must have a good deal of self-assumption in his make-up to try to prove the contrary. So the Restrictionists are beginning to appeal to the "last refuge of scoundrels," which Johnson calls patriotism. Commercial Union on the one hand is disloyal to England, and on the other hand it is entering into an arrangement with a foreign nation which means separation from the Mother Country and union with another country, whose constitution is all wrong, whose public morality is of the lowest order, and contact with whose people means contamination by all that is base and deceitful. While there are some sincere in their attachment to the Mother Country, it is equally true that a large number, I might say a large majority, of the opponents of Commercial Union oppose it not for any love they entertain for British connection, but for their own private aggrandisement. Were they as consistent as they are zealous in presenting their case they would not merit this imputation. Since the year one in Canadian politics the cry of British connection has been hawked about and made to serve the purpose of wily politicians. It has been dangled before the people till they have come to look upon it as some dread monster who will wreak vengeance upon anyone incurring his displeasure. This same cry was held as a threat over the people of Canada when they fought for and obtained responsible Government, and more recently we have seen it do duty when Canada asserted her right to frame her own tariff laws. And after all, has our love for British connection been lessened by these accessions on the part of England? Is our love for England not as strong to-day as it ever was?

Were anything further needed to show the inconsistency of those who denounce Commercial Union because it discriminates against England, it is the fact that Canada is now discriminating against England and in favour of the United States. The figures will speak for themselves. During the year 1886 our imports from Great Britain amounted to \$40,601,000.

The duty collected thereon amounted to \$7,817,000, being equal to $19\frac{1}{4}$ per cent. During the same year our imports from the United States amounted to \$44,868,000, and the duty collected thereon \$6,790,000, or slightly above 15 per cent., showing a practical discrimination against England of about $4\frac{1}{4}$ per cent. Also in the matter of free goods our tariff is far more liberal to the United States than to Britain. During the year 1886 we admitted goods from the United States free to the value of \$15,198,000, and from Britain \$10,215,000, showing a discrimination here in favour of the United States of what amounts to $33\frac{1}{3}$ per cent. Did those super-loyalists who profess such an ardent attachment for the Mother Country, who guard with a jealous eye the tie that binds us together, ever inquire into this? How can they reconcile this fact with their contention that tariff discrimination against England means separation? We are doing this under our present protective tariff, and yet their boast is that Canada is loyal. Then what do these figures prove? They prove that a tariff is not an article that separates or unites two countries, and that a tariff is not a true measure of our loyalty to England, and, therefore, that Commercial Union does not mean separation from Britain. If those who thus blindly oppose Commercial Union are consistent, if they are truly loyal, they will at once turn their attention to our present tariff arrangement and see to it that it does not bear more heavily on Britain than on the United States.

But, let us ask, what does this "discrimination against England," mean, anyway? It means that the manufactures of the United States shall have free entry into Canada, while our present tariff, or probably a higher one, shall remain against British manufactures. It is held that the manufacturers of England will suffer by it, inasmuch as it will injure their Canadian market. No one pretends to say that it will seriously affect the great body of the people. Well, then, the question arises: Does the manufacturer represent public opinion in England? Does he rule the land? Has he alone the right to say whether our connection shall cease or continue? Is there no other tie that binds us to the Mother Country but the purse-strings of a few British manufacturers? Will England sever our connection because her manufacturers say so? Will England disown us because we have discovered a new source

of prosperity? Shall we be dishonouring her name if, in following her example, espousing her economic religion and emulating her spirit, which has been the glory of modern civilisation, we build up a great and prosperous nation here? Far rather, shall we not be dishonouring her name if we do not avail ourselves of that liberty which England has been trying to teach mankind the use of the world over? Will Canadians take this view of British connection? I prefer to think they will. The utterances of Mr. Joseph Chamberlain at Belfast are to be commended to those miscalled loyalists. The sentiments may not be true, but they show the absurdity of this loyalty talk in Canada. Coming as they do from a leading English statesman as well as a large English manufacturer it would appear that our sentiment is not reciprocated. He says:—

If Canada desires Commercial Union Canada can have it. But Canada knows perfectly well that Commercial Union with the United States means political separation from Great Britain, for it is quite impossible that Great Britain should retain all the responsibilities and obligations of the colonial connection when all the advantages are taken away.

Here is a practical declaration that England will have nothing to do with Canada unless she can reap some advantages from Canada, and it would appear from this that hitherto Britain has not been a loser financially from her connection with Canada. Then what are those advantages Mr. Chamberlain speaks of? He says they will all be taken away by Commercial Union. The advantages must, therefore, be the privilege the exporters or manufacturers of England have of selling their goods in Canada—an advantage to be measured by the amount of dollars and cents they can take out of Canada. Then it may be fairly asked, where do our advantages come in? Does England sell her goods cheaper to us because we are under her rule? Does she pay more for our produce than for the produce of foreign nations? Does she discriminate in our favour? Does the English emigrant prefer Canada to the United States because Canada is a colony? This, then, is the great question: Is our country being populated, are her resources being developed, is she increasing in riches because of her relations to Great Britain? If that can be answered in the affirmative, and if we can afford to discriminate in her favour and against the United States, by all means let us do so. But no one has taken this stand. Not even the most bitter

opponent of Commercial Union can go that length. But, they say, we are protected by England ; we are under her sheltering wings. But does she not in return claim the right to draft soldiers in Canada in time of war ? Does she not secure a short route for troops to India and the East through Canada, and does she not secure the right, which she is exercising at the present time, to negotiate our treaties ? Is this not ample recompense for our protection without giving up a great dollars and cents advantage, which some have pleased to call it, in the shape of Commercial Union with the United States ? Mr. Andrew Carnegie is, perhaps, a little to a republican for our taste, but he presented a true republican doctrine with great force when he said, " A nation must have much to offer in exchange, more than I see that any nation has, which stifles in the breast of the most ignorant people in the world the sacred germ of self-development."

After all that has been said, is it clear that Commercial Union will so seriously discriminate against England ? Is it clear that England will not endorse the scheme when the time comes for her to pronounce upon its merits ? Is it clear that there is not some reason to hope that Commercial Union will not only not weaken British connection, but rather serve to maintain it and at the same time tend to promote good feelings between the United States and the Empire at large ? I need not here repeat the arguments that have been advanced in support of this view of the case. Mr. Wiman has, on different occasions, and Sir Richard Cartwright in his Ingersoll speech, argued with great force that no danger may be feared of British connection ; but, on the contrary, that Commercial Union would be of great benefit to the British Empire. No ; we are not certain that England will object. Strong reasons have been given that she will not object when the time comes. Then what is the use in spending ourselves until we know England's wishes ? It will be time enough then to cry halt if England says so. Let us study what is best for ourselves, and there is no doubt England will take care of herself. Our first duty is to ourselves. Self-preservation is nature's first law.

In all our past dealings with England there is no precedent that would lead one to expect that in this case she will interpose any serious objections. On the contrary, in all our dealings England's policy has ever been to give to Canada the fullest

measure of self-government, to encourage her in all national enterprises, to allow her the fullest latitude in choosing and doing what is best for herself. They deny this who assert that Britain will object to Commercial Union.

In speaking of the opposition of manufacturers, a distinction should be made. While the opposition comes almost wholly from the manufacturing class, it is not true that all manufacturers are opposed to it. Were all our manufactures established and continued in existence by the tariff, we might then expect that all manufacturers would be opposed to it. But, in point of fact, most of our manufactures were established before the adoption of protection. At any rate it is safe to assert that the great bulk of the manufacturers now would not be injured, while a great portion of them would be immeasurably benefited by the expansion of their market and by the free entry of their raw material. The manufacturers I have designated above as opposing Commercial Union are those whose only excuse for existence is that they are manufacturing goods which the high tariff prevents the people from purchasing in a better and cheaper market.

Even were it true that the whole manufacturing interests were arrayed against the project there would still be no valid reason why we should retreat one step from our position. There would still be no reason to despair of ultimate victory. I go a step further and say, were it true that the whole manufacturing interests were to be ruined, the more incumbent would it be upon every well-wisher of Canada to lend a hand to the consummation of this scheme. But, I ask, why should they be ruined? Before answering this question, let me ask what right has a manufacturer to existence in any country, or what is it that calls him into existence? Why is a railroad built and allowed to exist? Because it cheapens transportation and reduces the cost and adds to the comforts of traveling. A railroad is not essential. It is convenient. So with all manufactures. If we cannot get a manufactured article which we want we say establish a manufactory, or if the price is too high we say establish a manufactory and reduce the price. If a manufacturer establishes a plough factory in a locality where other plough factories exist, he must either manufacture a superior plough or sell it cheaper, or his factory will prove a wild-cat venture. There is no law that will compel

a farmer to buy a dearer or an inferior plough, and were a Government to impose a tax upon the old ploughs in order to establish the new plough factory, the old manufacturer would be justly indignant, and the farmers, to say the least, would feel it a very grievous and unjust piece of legislation. A manufacturer has no right to exist unless he manufactures an article that cannot be obtained in any other way, or unless he can sell it cheaper than is at present charged for it. In other words, he has no right to exist unless he confers a benefit upon the community in which he locates. In direct contravention of this principle is the policy that compels a people to buy dearer and in most cases inferior goods in order to establish a manufactory. Not only does the manufacturer not confer a benefit upon the people—he does not add to their wealth or happiness—but, on the contrary, the people have to pay to him, *volens volens*, a tribute of thirty per cent. by foregoing a measure of that freedom which is the boast of every free State. Were a scheme proposed to abolish the thirty per cent. tax on the old ploughs, and consequently to reduce the price to the farmer, would the farmers be likely to object to such a scheme because it might ruin the business of the new plough factory? No, that would be absurd, you say. The only man in the locality likely to object to the removal of the tax would be the protected manufacturer himself. Well, then, this is the position of the manufacturers with regard to Commercial Union. If Commercial Union will ruin them they have no right to exist. If such are allowed to exist it can only be at the expense of the consumers by selling their rights, for the consumers have rights as well as the manufacturers.

It is to be hoped that this cause, where such a great principle is at stake, will prosper. It certainly augurs well for its success when the two greatest of Canadian journals are lending their powerful influence in its behalf. It is a pretty sure index of its strength when it has taken such a hold upon the people at such a time. Unhappily it has hitherto been the case that public discussion could be aroused only by a fierce election contest, when an intelligent discussion of a subject was out of the question. Nevertheless, shame be it, there are public men and newspapers in Canada, now that they have a chance to show their independence, to show the stuff they are made of, hanging back, waiting for the call of their masters.

In declining this golden opportunity they convict themselves of being slaves to party and traitors to their country's best interests. They have no opinions that are not cut and dried by their masters. They know no public good but the good of their party.

And calmly bent, to servitude conform,
Dull as their lakes that slumber in the storm.

LETTERS ON COMMERCIAL UNION.

BY MR. GOLDWIN SMITH.

[The following letters were addressed to THE TORONTO MAIL, at different periods of the discussion, and deal with the controversy in its successive phases :]

I.

The discussion of Commercial Union appears to have reached a turning point. Party, on one side has declared against the movement, and it seems that political influence is being used to stop the passing of resolutions in its favour by Farmers' Institutes. This is no fault of those in whose hands the conduct of the movement has been. The constitution of the Commercial Union Club expressly disclaims party, nor, I am persuaded, has that rule been broken by any of our members. Our meetings have been public and discussion has always been free. We have among us representatives of both political parties. I voted myself for the N. P., of which I have always treated Commercial Union as the continuation, not the contradiction, the object of the N. P., as at first promulgated, having been to force open the American market by the pressure of a retaliatory tariff. Nor can I see how Conservatism, if it means opposition to revolution, has anything to do with a narrow commercial policy. The only antidote to revolution in a free country is contentment, and the way to produce contentment is to let the people enjoy the fair earnings of their labour and the full measure of prosperity which nature has destined for them; neither of which is possible under the present system of vicious restriction.

However, to this it was pretty sure to come, and we can hardly blame a Protectionist Government, which receives the support of protected manufacturers, for doing its utmost to resist the progress of commercial emancipation. The two policies—the Continental and the Anti-Continental, as they may be called—at last fairly confront each other. The policy with

which Sir John Macdonald's Government is identified is that of severing the Canadian provinces from the continent of which economically they are integral parts, by means of a tariff wall, and at the same time connecting them artificially with each other by political railways, and forcing, in nature's despite, a trade between them. This system appears now to be breaking down at every point. Its inevitable consequence in each of the provinces, but especially in the Maritime Provinces, is a commercial atrophy attended with an exodus of energy and enterprise, the serious extent of which is doubted by no one who knows Dakota, Chicago, and New York. Of the political railways, one, after costing forty millions, is run at a loss, while the Government itself is dealing what cannot fail to prove a heavy blow to its own road by promoting a short cut across American territory, and thus in the teeth of its own policy placing its great line of inter-provincial communication in American hands. The political part of the other railway north of Lake Superior is probably destined to a similar fate. Light has at length dawned upon the mind of the people; they begin to see, and they will see every day more clearly, that free trade with their own continent is indispensable to their prosperity and that nature must have her way.

In the North-West especially, the break-down of the Separatist policy is conspicuous. The rich promise of that land has been half strangled by Railway Restriction and the tariff wall. The political railway has failed to serve the purpose of settlement or commerce, and when the harvest is good the railway fails to carry out the grain. Meanwhile, in the rival settlements of Minnesota and Dakota, freedom of railway development has been enjoyed. The people of Manitoba have been engrossed by their struggle against railway restriction; if they had not, they would be in revolt against the tariff. Commercial Unionists might also be content to fold their hands and watch the course of events in the North-West, so certain is it that the people of the North-West, if they mean to prosper, or even to escape complete failure, must in the end burst through Restriction.

The organization of the Farmers' Institute is in itself a great gain to the cause of commercial emancipation, since it will enable the farmers to balance the industry which alone has hitherto been organized, and has consequently had the com-

mercial policy of the country almost under its exclusive control. The change is wholesome, not only with reference to the special industry represented by the Institutes, but in the general interest of the country.

It will be noted that the Association Chambers of Commerce in London, England, have had Commercial Union under consideration, and that the result is a resolution affirming the importance of the question and designating it as one the progress of which ought to be carefully watched. The inference seems to be, first, that the Chambers are advised by their correspondents here that the movement is important, and, secondly, that there is as much feeling against Commercial Union on their part as would lead them, in case of its adoption here, to call for the application of the Imperial veto.

In a sympathetic article on the memorial in favour of arbitration between Great Britain and the United States, the organ of our Government and of opposition to Commercial Union reproduces what it apparently deems a satisfactory answer to the objection that mutual submission to arbitration would be a waiver of national independence. "The engagement being reciprocal—England and the United States mutually agreeing not to make war against each other—there is really no waiver of independence in either case. There was, for example, no invidious distinction in the waiving of independence between the United States and Great Britain when they agreed at the close of their last war to keep only nominal forces of ships of war on the great lakes." It is difficult to see then how there could be any waiving of independence in an agreement which would be equally reciprocal between Canada and the United States to keep their import duties on a common level. Of the two, submission to limitation of armaments might seem more derogatory to national sovereignty, and in case of a sudden outbreak of war it might entail a serious disadvantage on one party, whereas a reciprocal regulation of import duties, with power of withdrawal after notice, could entail no disadvantage whatever. So easily do the dictates of common sense find entrance into the mind in cases where neither sinister interest nor prejudice stands in the way.

I shall not presume to add to the number of conflicting opinions as to the merits of the Fisheries Treaty. Nobody doubts that the British Commissioners have done for us all that

could be done by negotiators who had morally no force behind them. What is too evident is that the treaty is not likely to put an end to quarrels. An end can effectually be put to quarrels only in one of two ways; either by excluding one of the two contending parties from the ground altogether or by admitting both on perfectly equal terms. Commercial Union would admit both parties on equal terms, while it would give a free market to Canadian fish and throw the coasting trade open to Canadian vessels.

About Imperial Confederation I confess I am sick of talking. Once more we are told that the principle is unspeakably grand and beneficent; that we who fail to embrace it are abject souls with a lurking tendency to treason; that nothing can really be easier than its application, but that we must not ask for details. In other words, we must not ask for an intelligible plan or for satisfactory answers to practical objections of the most obvious and apparently the most insurmountable kind. To bid us, in a practical matter, embrace a principle without a plan, what is it but asking us to embrace moonshine? The Associated Chambers of Commerce, it will be observed, have declared by an overwhelming majority against "Fair Trade," in other words, against discrimination in favour of the colonies, an essential part of the Federationist programme. Nor does anyone who knows the temper of the British masses imagine that they would deprive themselves of cheap food for the purpose of strengthening a political connection with dependencies which they could not point out on the map. Not less vehemently would our protected manufacturers repel any proposal for the free admission of British goods. As has been said before, government by the British monarchy, if real, might have its advantages, and from that point of view there may be something to be said for the old colonial system. But monarchical government has practically ceased, and the only political relation of a sound and rational kind which can subsist between kindred democracies is that which is denoted by an Anglo-Saxon franchise.

II.

In settling the question of Commercial Union it is not necessary to come to any decision between the abstract principles

of free trade and protection. In truth there is no such thing in these matters as abstract principle. Economical questions are questions of pure expediency to be determined by the circumstances of the particular case. Adam Smith himself admits that there are cases in which a departure from the rule of free trade is legitimate. Mill admits that it may be expedient to protect an infant industry ; though it must be owned that, as free traders derisively point out to us, the longer the infant industry is protected the more protection it seems to demand. I never could see any reason why a retaliatory tariff, though in itself a violation of the law of free trade, and demonstrably involving a commercial sacrifice for the time, might not be rightly employed for the purpose of enforcing reciprocity of trade. The N. P. has always seemed to me perfectly justifiable in principle as a measure of self-protection against a highly protected neighbour on our side, though reciprocity of trade, if we can get it, is infinitely to be preferred to reciprocity of tariffs. Nor is commerce alone to be considered : patriotism may sometimes require that commercial objects should give way to political or military considerations. It is best, as a rule, for Governments as well as for ordinary purchasers to go into the open market, but he must be a purist of free trade who would condemn the Government for building its own navy or manufacturing its own munitions of war. At the same time experience warns us to be very sure that patriotism is not class interest in disguise.

It is hard, however, to understand how any sane man can doubt that free trade as a rule is best both for production and distribution. That we should produce that which we can produce most easily and at least cost, sell our products where we can get the highest price for them, that is, where they are most wanted, and buy where there is the greatest plenty and where (consequently) the goods are cheapest, are dictates of common sense, ratified by the universal practice of ordinary life, which nobody in his senses, I presume, ventures to dispute. Nor is it easy to imagine how anyone can study the natural laws of the economical world and see how just and admirable is their operation ; how, if they are left to themselves, they set each producer throughout the world his proper task, and distribute the pay in proper proportions among the myriads in different parts of the globe, whose labour is combined in the production of the simplest and cheapest article, without feeling that to im-

prove upon them by legislation must always be a hazardous undertaking. No doubt there are zealots of protection who have persuaded themselves that if this continent could be cut into squares, each fenced against its neighbours commercially by a Chinese wall, the inhabitants of each square would be much richer and happier than they are now. The theory of my old friend, Mr. Isaac Buchanan, seemed to go that length. He also believed and did all that a nimble pen could do to convince us that national wealth might be increased to an indefinite extent by any Government which would only issue a flood of promissory notes, under the name of paper currency, and refuse payment. I have observed that the two theories are apt to be found in company with each other. That prosperity can be generated by monetary fraud, and that a community can be made rich by taxation, are indeed beliefs likely to make their home in the same brain. Often, however, the staunch Protectionist abjures argument, and says that all the theorists are on one side, but all the practical men are on the other. By practical men it would be found on examination that he means men interested in protected industries, by theorists independent enquirers. Turgot, Pitt, Peel and Cavour were practical men in their day, and the members of the Anti-Corn Law League were manufacturers almost to a man.

Protection must make a case. It must show a special reason for departing from what in ordinary circumstances is the dictate of common sense, and for depriving the members of the community at large of the natural right of buying the best and cheapest goods in whatever market they may be found. Protection is always in effect and for the time being a tax levied on the community at large in favour of a particular class of producers, and as such it requires justification, more especially as it is exceedingly apt, under institutions like ours, to ally itself with political corruption. The case which protection, as the policy of this continent, makes is that certain industries native to the soil and naturally profitable if they can once be securely established, are prevented from securely establishing themselves by an abnormal, unfair and blighting competition with the pauper labour of Europe. Whether the labour of Europe is really pauper labour, and whether the case is made out as between America and Europe, is a question which need not here be determined. No such case can be made out for protecting the

Canadian producer against the American, since the price of labour is pretty much the same on both sides of the line, or rather cheaper here. The Canadian producer also enjoys the advantage which every producer enjoys in his home market of freedom from the cost of carriage ; and the greater the bulk and weight of his products the greater of course his advantage will be. It is difficult to see why Mr. Clarke's trunks or Mr. Gurney's stoves should have anything to fear from their American rivals : judging from their reputation, perhaps we should say that their American rivals would have at least as much to fear from them. Some fruit-growers near St. Catharines have been stimulated by a local politician into a declaration against Commercial Union. But surely it is hard if fresh fruit cannot hold its own against fruit from a distant market.

All weak producers, of course, would like protection. Makers of inferior books would like it as well as makers of inferior woollens and cottons. If shoddy were allowed to regulate the tariff there would be nothing but shoddy to buy or wear. I heard the other day of a farmer who complained that a new overcoat failed to afford him against the rain the protection which it enjoyed against foreign cloth ; and I suspect that his experience was not singular. At least in the debate at the Toronto Board of Trade an eminent opponent of Commercial Union pleaded in plain terms that certain classes of Canadian goods were so inferior in quality to the American goods of the same class that they could not bear the competition for a moment. On what principal of expediency or justice Canadian consumers could be compelled to buy the inferior goods he did not say, nor did he explain why free competition would not in this case, as in others, be the necessary stimulus to improvement in production.

Of our stronger Canadian manufacturers, however, not a few are in favour of Commercial Union ; they, or some of them, might have to adapt their production to the larger market by making fewer descriptions of goods and on a larger scale, but, this being done, they feel that the larger market would bring greater gains. Mr. (now Sir) George Stephen, in a circular addressed in 1875 to the heads of the woollen trade, and quoted in the *Toronto Nation* of that year, said that if we could have free interchange with the United States of all the native products of both countries, whether natural or manufactured, Can-

ada would soon become the Lancashire of this continent and would increase in wealth and population to a degree that could be hardly imagined. In this opinion he did not stand alone. I am surprised, in going through the country, to find how many manufacturers there are on the side of Commercial Union, and my relief is equal to my surprise ; for the painful part of this movement, as I have very keenly felt, is that while we are doing justice to all our great natural industries and to the great body of our people, we cannot help placing in some jeopardy the interests of those who have been tempted to invest capital in trades more or less artificial by the promise of legislative protection.

That the farmer will find more or better customers in the protected and artificial, than in the natural industries, so that his interests are specially bound up with protected manufactures, is an assumption which, though it underlies a good deal that is said on the subject, will not bear a moment's scrutiny. Whatever makes the country most prosperous will give the farmer the most and the best customers. The number of the farmers' customers is not increased any more than that of the customers of other producers by a system which leads to an exodus. It is the same with regard to the interest of the working class. The rate of wages and the abundance of employment must depend on general prosperity, not on the forced prominence of any special, least of all of any exotic, industry.

Some arguments of a rather fanciful kind are used as props or embellishments of their cause by the champions of protection. It is desirable, we are told, to force manufactures into existence, even where they would not rise of themselves, in order by varying industry to diversify national character. But surely in every civilized and opulent country the natural variety of industries is sufficient to beget, so far as any economical influence can beget, varieties of character enough to satisfy any ethical connoisseur. Some peculiarities we must be content to forego. Northern countries cannot have those of the planter, nor can inland countries have those of the seaman. Why there should be such a passion for propagating factory life on a large scale it is not easy to see. The result in England, physically, has been degeneracy ; politically, the growth of an element at once revolutionary and feeble, which threatens to stifle the greatness of the nation. On the other hand, nothing can be

more clear than that protection, if misapplied, demoralizes as well as impoverishes a country. Our own Government has entered into sinister relations with a protected interest, and we have already a ring in cotton. Rings are sure to be generated with hot-house rapidity when protection is applied to a small area, because its spasmodic action in over-stimulating production and thus bringing on violent fluctuations of prices is more felt in the narrower sphere.

However, where protection makes a case, no disturbance of the existing system is involved in the present measure. Against Europe the Canadian as well as the American producer retains his protective tariff. It is only where protection makes no case that it is now proposed in the general interest to remove the barriers against freedom of trade. A Protectionist may vote for the abolition of the Customs line between Ontario and New York State on the same grounds on which, if he held a sane form of his theory, he would vote against the establishment of a Customs line between Ontario and Quebec, or between New York and Pennsylvania. He may in fact regard Commercial Union with the States as the establishment of his principle on a rational basis and the rounding off of its proper domain.

There can be no question that the movement gains ground apace. The farmers almost everywhere are showing the keenest interest in it. No weather prevents them from coming in large numbers to the meetings. The Ontario farmer has only too good reason for his willingness to listen to anything which promises to make his future more secure. The price of farm lands seems to be generally falling. The competition of the North-West, which the Ontario farmer has been made to pay for bringing down on himself, will soon be felt. The harvests of India will encounter the Ontario wheat-grower at Liverpool. In the opening of a new and immensely rich market, to which Canadian energy and intelligence may adapt themselves, surely lies the best hope for Canadian agriculture.

III.

A member of Parliament was reported the other day to have said that, in speaking to the citizens of Detroit on Commercial

Union, I had hinted that Commercial Union meant annexation. I must have been either misreported or misunderstood. I wish to be perfectly frank upon this as upon other points, and not to leave it to be said hereafter that anything has been held back. It is my avowed conviction that the union of the English-speaking race upon this continent will some day come to pass. For twenty years I have watched the action of the social and economical forces, which are all, as it seems to me, drawing powerfully and steadily in that direction. Intercourse of every kind, co-operation for every sort of object, interchange of hospitalities, inter-marriage, are daily on the increase. The unifying influence of railways is felt more and more as the international system becomes more complete ; and it is strange that men whose calling it is to promote and facilitate such communication should be found recoiling with horror from the thought of Commercial Union. An actual fusion is in fact taking place through the migration of Canadians to the centres of wealth and employment ; and the Separatist system, as it impoverishes Canada, thus militates against its own political object by driving Canadians into the arms of the American Republic. The population on the two sides of the line being not only kindred and similar, but identical, and the political institutions of both being, not only in principle but almost in form, the same, the consummation to which all this points can hardly fail some day in the course of nature to arrive ; though no one who had a particle of statesmanship in his composition would desire to anticipate the course of nature or to hasten the union by a day. Such, I say, is my settled conviction, and so far as I am able to gauge popular opinion, while there is nothing like an annexationist movement on foot, the prospect of closer relations with the people of the United States is ceasing to be a bugbear, and the alarmist cry of annexation is losing much of its effect.

In the special circle of the U. E. Loyalists, the feeling may still be strong, and it sometimes displays itself in a rather angry and menacing style. I have, historically, the most sincere respect for the tradition of the U. E. Loyalists, as I have for that of the Cavaliers. But it is vain to suppose that an industrial and commercial community will forever remain dedicated and will sacrifice its present interests to any historic tradition, however generous and touching. The grass must grow at last over every grave. I happened the other day to be in an

English manor-house, the owners of which represent the standard-bearer of Charles I. They prize and cherish the relics of their ancestor, but they are themselves Liberals. I fancy by this time we should find not a few descendants of the U. E. Loyalists on the south of the line.

While I have watched the action of the unifying forces which draw us towards our kinsmen in the United States, I have also watched the growth, both in bulk and in intensity within our own political borders, of a French nationality as alien to us as anything can well be, and the presence of which seems fatal to our hopes of a really united Canada. "The country of the French-Canadian," says *La Verité*, in a passage recently quoted by *The Mail*, "is the Province of Quebec, and none other. No doubt it is his duty to live in harmony with the inhabitants of the other provinces, to which his province is joined politically; but we repeat, he is bound to remain a French-Canadian and that alone; to regard the Province of Quebec as his true and only fatherland; and to treat the other groups by whom he is surrounded merely as neighbours." This is not mere rhetoric or petulance, it is the real sentiment of the French, and the principle on which they are acting towards us, while the British element is being fast extruded from Quebec and will soon have no foothold except in the commercial quarter of Montreal. The forces of a whole English-speaking continent might have been potent enough to assimilate the French element in Quebec, as they have assimilated, sufficiently for political purposes, the French element in Louisiana; but the forces of Canada alone have manifestly failed. It seems impossible, I repeat, that British and French Canada should ever become in heart, or in anything but in mere form and name, one people. When we talk of welding together a Canadian nation by means of political railways and tariffs we overlook this unwelcome and stubborn fact. The alien nationality of Quebec and its interposition between British Canada and the Maritime Provinces are obstacles to consolidation of a very different kind from those which American confederation encountered and overcame in its early stage, though a false parallel between the two cases has been drawn.

There is another point in the situation which perhaps is more distinctly present to my mind than to that of Canadians who have seen less of British politics than I have. We have

just been told in relation to the Fisheries dispute that the British "do not care a continental for us and would not burn a drachm of powder in our cause." The first part of the statement is untrue, as well as offensive, but the second is true. The military unity of the Empire, as well as its commercial unity, is practically at an end. The democracy which has now mounted to power in England could not be induced to fight in a colonial quarrel. It could with difficulty be induced, I suspect, to fight in a quarrel concerning India, though of the whole mass of dependencies, miscalled Empire, India is the only one over which England really holds Imperial sway, and her interests in it of various kinds are immense. Not only is the democracy unwilling to fight, but it is totally incapable of governing distant dependencies, or of understanding an Imperial policy. This, if I mistake not, will soon appear. By the bond of the heart we shall, I trust, always remain closely united to the Mother Country, but the political bond can hardly fail to grow weaker and to be gradually displaced by the ties which bind us to our own continent. If I am wrong in this forecast, let my error be corrected ; but truth can never be treason.

I felt the greatest sympathy with the aspirations of Canada First, and mourned when its flag went down, I consoled myself with the reflection that whatever might happen to us in the political future we should be still Canadians, and even as States of the Union, if such was our destiny, might retain everything that was distinctive in our character and everything that was glorious in our traditions, while we sent forth statesmen to act on the ampler scene. Of disregarding sentiment, and looking only to material interests, I hope I am guiltless ; I should disgrace my bringing up if I were not ; though I do not believe that sentiment can ever live long when it is divorced from the real interests of the people. Sentiment is the flower, but the plant on which the flower grows is the public welfare.

Such is my faith ; but I am equally sincere in expressing my belief that the questions of commercial and political union are not only theoretically distinguishable from each other, but are practically distinct ; and that Canada may modify her fiscal or trade relations with her neighbour in any way, or to any extent she pleases, without surrendering her political indepen-

dence. A certain resignation of control over the national tariffs on both sides is a necessary part of every commercial treaty, and would involve no forfeiture of political autonomy in the case of Canada and the United States any more than in that of England and France. The rates would be fixed by mutual consent, and liberty of withdrawal after due notice would be reserved. Why increase of commercial intercourse with a neighbour should threaten the integrity of a nation any more than the increase of social, religious, philanthropic, intellectual and general intercourse, it is difficult to see. The question has been often asked, and never answered, on what ground, if partial reciprocity showed no tendency to impair nationality, we should expect complete reciprocity to destroy it. There is a school of fiscal reformers which proposes to abolish all import duties and raise the whole revenue by direct taxation; Cobden inclined to it, and I have often discussed the question with him. Supposing that school prevailed and import duties were abolished, would the nationalities cease to exist? Would they even be sensibly affected by the change? The immediate effect of Commercial Union would be to relieve Confederation of a heavy strain, to allay the discontent of the Maritime Provinces, and by giving our people generally the commercial advantages of union with their continent to make them content with existing political arrangements. Americans who are strongly desirous of annexation, are, as I have recently had occasion to observe, opposed on that very ground to Commercial Union. It is from this quarter and from certain protected manufacturers in the United States, who are also opposed to the measure, that we get these terrible pictures of the loss of independence and the humiliation which Canada in embracing Commercial Union would have to undergo. But everyone who has mixed with the Americans or watched American opinion must know that the number of Americans who desire the annexation of Canada, or even think about it, is comparatively small. The general feeling is that the Republic has territory enough, and that a further extension would be dangerous. The inducement which the Free States once had to bring Canada into the Union for the purpose of countervailing the power and the southward extension of the Slave States has ceased since the extinction of slavery. The politicians also fear that by the entrance of so large a body as Can-

ada into their politics the balance of parties might be disturbed and existing combinations overturned. What the precise effect of the increased commercial intercourse might be on international sentiment, it seems impossible, amidst such a variety of complex influences, to foretell.

The declining force of the feeling against annexation is so marked, and Commercial Union has taken so strong a hold upon the mind of the people, as to render it not impossible that if the movement in favor of Commercial Union is defeated a movement in favor of annexation may ensue. Statesmen, at all events, before they decide upon their course, will do well to take some surer means of ascertaining the real mind of the country than the conventional language into the use of which the people have been drilled.

What is perfectly certain is that there is not a man prominently connected with this movement who can have the slightest interest in bringing about political annexation. Not one of the number has any feeling but that of the most loyal affection for England. Not one can be even imagined to cherish any personal ambition pointing in the direction of the United States. Not one of us, in fact, is in public life at all. To suppose, therefore, that we are political conspirators veiling annexationist designs beneath a pretended scheme of Commercial Union is not only uncharitable but preposterous. Nobody on either side of the question, I hope, has any object in view but the good of the country.

The project of an Imperial Zollverein, proposed as a more loyal and patriotic mode of improving and extending Canadian commerce than Commercial Union with this continent, evidently meets with little support either in England or in the colonies generally. It runs counter to the fiscal policy which appears to have been irrevocably adopted by Great Britain. Emanating from the quarter whence it at present emanates it can hardly be regarded as anything but an attempt to create a diversion. It would involve the free admission of British goods, to which our protected manufacturers would be the last men to agree, while the sacrifice of revenue would be just as great as that entailed by the removal of the Customs line between Canada and the United States.

Before this controversy about the probable effects, economical and political, of Commercial Union, comes to a close, it is not

unlikely that the question may settle itself in a rough way. In the North-West there is an open frontier of eight hundred miles, with a population absolutely identical on both sides of it. The settlers care little for the Ottawa Government or its revenue; smuggling already is said to be rife; and when population increases it will scarcely be possible with any force that the Government can command to maintain the Customs line.

IV.

In the debate on Commercial Union, the union between Scotland and England in its commercial aspect has naturally presented itself as an analogous case; and, allowing for the distance of time, the analogy is close and instructive. The commercial condition of Scotland before the Union was no doubt much below that of Canada at the present day. The comparison therefore must not be too closely pressed, nor must we expect the same extraordinary results in our case which ensued in the case of Scotland. But we may reasonably expect a measure of the benefits which in the case of Scotland followed the removal of commercial restriction and the free admission of a highly industrial and energetic race to a great and rich market.

In the Duke of Argyll's recent work on Scotland the chapter narrating the economical effects of the union bears the significant title, "The Burst of Industry," and truly marvellous is the transition of a nation from poverty to wealth which it narrates. Illustrations without number might be produced, but they are almost needless when the general fact is one of the commonplaces of economists and the theme of all who have written on the domestic annals of Scotland. Buckle has a long and glowing passage on the subject. Mr. Lecky says:

"In the ten years preceding the union the commercial intercourse between the two countries had been so slight that the goods imported from Scotland to England only twice exceeded the small amount of £100,000, and the imports from England into Scotland never in a single year exceeded £87,536, while the whole shipping trade of the smaller country was annihilated by the Navigation Act. But immediately after the union the movement of industry and commerce was felt in every part of

the Lowlands. Glasgow, having no port or vessels of its own, chartered ships from Whitehaven and began a large trade with the American colonies. In 1716 or 1718 the first Scotch vessel that ever crossed the Atlantic was launched upon the Clyde ; in 1735 Glasgow possessed sixty-seven vessels, with a tonnage of 5,600, and in a few years she had become, in the American trade, a serious rival to the great seaports of England. It was in the first half of the eighteenth century that Greenock laid the foundation of its future greatness by the construction of a commodious harbour, and Paisley rose from a small village into a considerable manufacturing town. It was computed that the aggregate tonnage of Scotch vessels rose between 1735 and 1760 from 12,342 tons to more than 52,000 ; and it was noticed, as a significant sign of the growth of the industrial spirit in Scotland, that from the time of the union it was common for the younger sons of the gentry to become merchants, and to make voyages in that capacity to the Continent. In the seventeenth century almost the only Scotch manufacture had been that of linen. In imitation of the curious law which encouraged the English woollen trade by providing that every corpse should be buried in wool, a Scotch law of 1686 had enacted that every shroud be of linen, but it was not until the union gave the linen manufacture a wider vent, that the trade began really to flourish. It was introduced into Glasgow in 1725, it speedily spread through many other Scotch towns, and we find it appearing even in the Orkney Islands in 1747. It was noticed by the historian of commerce that on Oct. 23, 1738, no less than 151,219 yards of Scotch linen, as well as 3,000 spindles of linen yarn, were imported into London, and that of late years the entries had been annually increasing. The value of the Scotch linen stamped for sale in five years, from 1728 to 1732, was £662,938. In the four years, from 1748 to 1751, it had arisen to £1,344,814. In Aberdeen trade in woollen stockings largely increased, and a considerable manufacture of coarse woollen serge grew up. Some time before the century had closed, cheap Scotch carpets had penetrated to most English houses. The preparation of kelp, which was introduced into Scotland in 1720, gave some industry to the poorest coasts ; and the first Scotch country banks were established in 1749 at Aberdeen in Glasgow."

Specially instructive is the new value which was given to the natural products of Scotland, kelp and black cattle, each of which having before been comparatively little remunerative, became a mine of wealth when developed by the capital and admitted to the market of England. A small country is pretty sure to have natural products in excess of its own demands. Canada has among other things minerals far in excess of her own demands, actual or possible. An attempt is now being made by legislation to force her to develop an iron trade without a sufficient market or sufficient capital. English experts treat the attempt with derision, predicting that it will be a total failure. The legislation needed for the development of Canadian minerals is the removal of restrictions on the market. About that the people of Port Arthur feel no doubt.

With regard to the probable increase in the value of natural products, we may look to greater profits than were reaped by Scotland. Black cattle and kelp are small matters compared with our stores of minerals, phosphates, fish and lumber. In the French province we have a great fund of labour highly available for factories, which at present, like the redundant labour of Scotland before the union, finding no employment in its own country is driven to wholesale emigration. If the French clergy want to keep their people at home they had better, instead of forming repatriation societies, which are utterly futile, bear a hand in making the home a place in which the people can earn a living.

It is true that the union of Scotland with England opened to Scotland, besides the trade with England, the trade with the American Colonies and West Indies. But the temporary union in the time of Cromwell, when the Colonial and West Indian trade had not become of much importance, had been, as Bishop Burnett says, a period of great prosperity for Scotland.

It is curious to see what arguments were used by the opponents of the measure, and notably by Lord Belhaven and Fletcher, of Saltoun, the latter of whom had proposed, instead of opening a new market for Scotch industry, to relieve the poverty of Scotland by introducing slavery. Here also the analogy is close. The Scotch people were assured that the offered participation in English commerce was a mere delusion, that English commerce was occupied entirely by the English themselves, and that they were being invited to a feast at

which every chair was already filled. For this mere shadow they were told they were to give up their substantial trade with France and their independent competition in the markets of the world. Subtle reasons no doubt were given to them for believing that the trade with France was much more profitable than commerce with the rest of their own islands. All the benefits of the union, it was said, would go to the greedy and over-reaching Southern. The workman would have to pay English prices for his food but would not get English wages, since all the profitable trades were already engrossed. Even his jug of ale would be snatched from his hand by taxation proportioned to the capacities of the rich Englishman. Lord Bellhaven, in his famous speech, described the artisan as drinking water instead of ale, and "eating his saltless porridge," while he saw "the laborious ploughman, his grain spoiling upon his hand, cursing the day of his birth, dreading the expense of his burial." In the middle of his speech Lord Belhaven formally paused for some time to shed a tear over the departing glory and opulence of his country. Lord Marchmont, in reply to him, said that he thought a short answer would suffice—"Behold, he dreamed ; but, lo, when he awoke, behold, it was a dream !" The reality was the farms of the Lothians, the works and warehouses of Glasgow, and the shipbuilding yards of the Clyde.

In the case of Scotland, the union being political as well as commercial, the seat of government was to be removed, and it was not unreasonable to fear that a certain amount of wealth would depart with it. This argument was addressed with special effect to the citizens of Edinburgh, who might well think that they were called upon to make a great sacrifice. But even Edinburgh gained more by the general increase of prosperity than she lost by the departure of the Parliament. Toronto would gain by the general increase of prosperity, while its Parliament would not depart. In reply to the assertion that Toronto would be engulfed by New York, while Rochester, Detroit, Buffalo, Syracuse and Albany are not engulfed, we need only say, "Behold it was a dream !"

In entering a commercial union with England, Scotland espoused the heavy, and, as people then thought, ruinous debt which England had contracted in the War of the Succession. This it was that gave point to Belhaven's prediction of intolera-

ble taxation. But Canada would enter into partnership with a nation whose federal debt is per head considerably less than half of ours. To Scotland the benefits of free trade with England were also partly countervailed by the necessity of conforming to impolitic restrictions to which English commerce itself was subject in those days. She had among other things to cease exporting her wool. The advantages of a free trade at that period were, moreover, greatly reduced by freights which were enormously higher when goods were carried by pack horses than they are now that goods are carried by rail.

I found it a little difficult to interpret a parable which an eminent manufacturer lately made use of in a communication to the Press on the subject of Commercial Union. But if I did not miss his meaning he may derive some comfort from the case of Scotland. He seems to be afraid that the richer country will by some fell force of attraction draw away all the commerce and wealth from the poorer country, and he paints a picture of the coming desolation not unlike that drawn by Lord Belhaven. That we "were and are not," according to him, will soon be our epitaph. But instead of drawing away the wealth from Scotland, England filled Scotland with wealth. The development of the linen trade by the influx of English capital more than made up for the loss of the profits on the trade in wool. The native manufacture of woollen cloths, it is true, suffered from the importation of the cheaper English goods, but the people were better clothed, which after all is a point of some little importance, though, as Chambers observes, the general rule in commercial legislation is to fill the mouth of every special interest and leave the crumbs to the community in general. Why should Canada be expected to suffer by a commercial connection with the United States when we see that all those States of the Union which are by nature less wealthy gain by their connection with the wealthier States? Would Maine, Vermont and New Hampshire be better off if they were severed by a Customs line from the rest of the union? No Canadian manufacturer has yet told us in plain terms that he fears American competition in a fair market and given us the reason of his fear. Why is it, we must once more ask, that the Canadian producer, with freight in his favour and some advantage also in regard to the price of labour, cannot hold his own against the producer on the other side of the political line,

as well as the producer in the younger States of the Union holds his own against the producer in the older States? If the principles veiled under the parable above referred to were clearly stated and pressed to their logical results, I fancy they would lead us to the conclusion that Toronto was a curse to Ontario.

Fallacies are uttered in the present debate by defenders of restriction which were uttered by opponents of Commercial Union between Scotland and England, and then received their practical confutation. It was constantly assumed, for example, that in every bargain while one party would gain the other must lose, and the alarmists of each nation declared that, as the other nation was the sharper and the more unscrupulous, the loss would be on their own side. That in a fair bargain both parties profit was a truth which, simple as it is, had then hardly dawned on the commercial world. Trade altogether would be an evil if some of the things which were then said and are now being repeated were true.

On that occasion, as on this, the lack of commercial arguments was liberally supplied by appeals to international anti-pathy. English objectors denounced Scotland and Scotch objectors denounced England as a community of rapacious sharpers. There no doubt was commercial dishonesty on both sides of the border. There is commercial dishonesty on both sides of our border. The officers of the Ontario Investment Association, of London, are not Yankees. There have been some wooden nutmegs among us which had not been raised in Connecticut. If the Yankees as a community are knaves and cheats, why do we take their bank bills at par? Why are we so anxious to connect ourselves with them by means of railways? Why did we make a Reciprocity Treaty with them, and why, since their withdrawal from it, have we more than once sought its renewal? Are they honest in regard to natural products while they are dishonest in regard to all the other articles in the tariff? What do all those thousands of Canadians who have settled in New York and Chicago say? Have they gone to take up their abode among thieves? Can anything be more absurd than to talk of a community as too knavish for commercial intercourse when we are actually fusing with it, and it already contains nearly a million of our native citizens?

It is worth while to observe, too, that whatever was valuable in Scotch nationality and in Scotch character remained unim-

paired, though it was not less the subject of doleful predictions than Scotch trade. Another recent opponent of Commercial Union seems to apprehend that if we trade freely with our neighbours we shall be betrayed into keeping Sunday in their way. But the Scotch Sabbath remained just as strict after Commercial Union with England as it had been before. Bales of goods may carry physical infection, but they will hardly carry ecclesiastical contamination.

Heaven forbid that a word should be said in disparagement of national aspirations, or of any generous aspirations of any kind. But if we are asked to sacrifice the material wealth and happiness of our people to nationality, it is as well to ask what in our case nationality means. Does anybody seriously believe that British and French Canada will ever become, in the true sense of the term, a nation? Is not everything tending directly the other way? Does our union with Quebec really mean anything more than connection, which no commercial change could disturb, with the same Crown? If there is no chance of Anglicizing Quebec, is there any chance of really uniting to Ontario the British provinces which are separated from us by Quebec, and the people of which, as anyone may satisfy himself by going among them, still regard us as strangers? Is there any nationality, in fact, actual or possible, except that of British Canada, in other words, of the Province of Ontario? And why should the peculiar character, traditions, memories or sentiments of Ontario be impaired by free trade with the States any more than those of Scotland were by free trade with England? A curious nationality this—so intense that everything else ought to be sacrificed to it, so feeble that it is liable to be extinguished by the reception of goods from the other side of the line on which Customs duties have not been paid! After Commercial Union we shall be not a whit less a nation than we are now, while a great strain will have been taken off Confederation.

What wound could be given to nationality which would be worse than the running sore of the exodus? Yet the exodus is sure to increase if commercial restriction is maintained. Our people now, besides being taxed by Government fifty cents higher than the Americans, are paying a heavy tax to the protected interests on their clothes and other necessities. The effect of this, combined with the exclusion of capital and the

consequent dormancy of our resources, cannot be doubtful. Nationality will mean expatriation. But the truth probably is that the financial and commercial progress of the United States will before long begin to act upon us in a more direct and palpable way. It will become impossible to maintain for political objects a little Egypt of artificial impoverishment and indebtedness by the side of a continent advancing in wealth and financial prosperity under internal free trade.

A reference to the economical experience of Scotland is, of course, like other economical arguments, "an appeal to the pocket." The Scotch have always thought of the pocket, but this has not prevented them from thinking, and to some purpose, of other things also. Commercial Unionists want our people to have the fair earnings of their industry, and the share of wealth which nature has intended for them. They believe that a good measure of material prosperity is essential not only to happiness, but to civilization and to the existence of affections of which a comfortable home is the centre. Civilization and family affection are not less objects of genuine sentiment than those exclusive idols of the Imperialist fancy, for touching which we are threatened with bloodshed. "Keep up your bright swords for the dew will rust them." Bluster rusts the sword worse than dew. If there is anyone who helped, by dragging Canada into the quarrel between the North and the South, to kindle the anger of the North against us, and thus deprive our people of the benefit of the Reciprocity Treaty during all these years, he has surely done mischief enough for one life-time, and had better be sensible and quiet for the future. Protectionism is just as much as free trade an appeal to the pocket, though it is not an appeal to commercial justice.

In the desperate struggle against nature which is carried on under the present system not only are our people impoverished, but they are corrupted. The provinces, linked together by no bond of commercial interest, and drawn each of them naturally to trade with the States, can be held in forced union among themselves and forced severance from the States towards which they are drawn, only by a vast system of bribery, which has now been carried on for twenty years, and has its monuments not only in the debt, but in a public life to a lamentable extent saturated with corruption. This consideration, too, if it is not sentimental, is moral, and may be worthy the attention even of

those who are too chivalrous or too spiritual to care whether the commercial system is just to the people, or whether industry receives its fair reward.

V.

In measuring the progress of the movement in favour of Commercial Union and estimating the chance of its success, it must always be borne in mind that the movement, as I have said before, is spontaneous. It has been set on foot by no "gang," to use that playful expression, of any kind. I believe I may say with truth that of the Canadians who take a leading part not more than two had ever been in a room together. I suppose I have myself the honour to be accounted one of the gang, and I have done nothing but advocate in your columns or on the platform the policy which I have advocated as a journalist for many years. I have gone to meetings only when invited, and I have declined about as many invitations as I have accepted. So far as I have been concerned or know, there has been no wirepulling or propagandist machination of any kind. Indeed, our opponents, while they may be able to prove that Mr. Valancey Fuller, Mr. H. W. Darling and I are mistaken, will find it difficult, I imagine, to show what motive we can have for conspiracy. It seems most desirable that this question, the most important since Confederation, should be fully presented to the people, and that their opinion should be formed upon it irrespectively of party. But for my part I shall be very glad when, the question having been thoroughly ventilated and the mind of the people having been made up, the time arrives for handing the matter over to the regular politicians. Let us hope that the regular politicians are preparing to deal with it, when their turn comes, not merely as an affair of party tactics, but with some reference to the real interest of the whole people.

Of the meetings some have been very large, and all that I have witnessed have been significant. The audience has not been a miscellaneous crowd, such as is drawn together by a display of rhetorical fireworks at election time, but a gathering of farmers or other men of substance, who have come, often from considerable distances, to hear what was to be said about

a practical question in which they were deeply concerned. There has been nothing to produce excitement or enthusiasm, but there has always been the most marked attention. In the way of rhetorical attraction we have had very little to offer, as too clearly appears when I have to be pressed into the service. The expression of dissent has been invited, but hardly anywhere has dissent been expressed. The meeting at Clinton was called a fiasco, and triumphantly cited as a proof of the declining force of the movement. The managers had pitched their expectations of numbers far too high, and expressed undue disappointment when their expectations were not fulfilled. The absence of Mr. Valancey Fuller, whom the farmers would specially wish to hear, was damping, though we were indemnified by a most excellent speech, bearing the evident impress of thoroughly independent conviction, from Dr. Macdonald; and there was a counter attraction in the shape of a fair. But if a large majority of those present were believers in Commercial Union, an enemy of Commercial Union has not much chance of election in Huron. Politicians tell us that all this means nothing; that the farmers will come to meetings or picnics, listen, go home, forget all about the matter, and when election time comes vote with their party. It might be so if the subject were a mere party issue like the sanity of Riel or some project for bedevelling the franchise; but men do not so easily forget their pockets. The farmers will be reminded of Commercial Union every market day. N. P. swept the country in 1878, taking a large number of voters out of their party lines, and Commercial Union is a good deal more important as well as a good deal sounder than N. P.

At Clinton the chair was taken by a Conservative. The chair has been taken by Conservatives elsewhere, and I hear on all sides of Conservatives pronouncing in favour of the movement. Why should they not? Conservatism is bound to order, property, and government by intelligence; but it is in no way bound to a vicious commercial policy, which must keep up discontent among the people. Pitt and Peel were the great emancipators of trade. By the leader of the Canadian Conservatives the work of Commercial Union has already been half done. Sir John Macdonald it is who has "levelled up" the Canadian tariff to meet half way the American tariff which is coming down. The great difficulty in the way of Commer-

cial Union was that of assimilating widely different tariffs ; of this Sir John Macdonald's policy has relieved us. Commercial Union has in this sense been justly designated as the complement of the N.P. The Conservative leader too it was¹who proclaimed with no uncertain voice Commercial Home Rule for Canada, which Mr. Brown used to denounce as rank treason, and gave the most practical effect to his principle by imposing protective duties on British goods.

The longer the discussion lasts the clearer the case becomes. The map settles the question. Here is a great continent, infinitely varied in its productions, the bulk of it enjoying perfect freedom of trade within its own pale, and manifestly owing its boundless prosperity to that system. But on the northern edge of it are four blocks of territory separated from each other by wide spaces or great physical barriers, having little or no natural trade among themselves, and at the same time shut out by a customs wall from free commercial intercourse with the continent at large. Each of the blocks has natural resources—minerals, lumber, fish, or capacities for special farm products—which by reason of its isolation, remain but half developed. Is it possible that such a state of things can be sound or that it can last ? Looking at the case from the American point of view, is it possible that the people of the Continent at large should be content forever to exclude these northern blocks of territory from the commercial pale and forego the additional wealth which their resources, if developed with the aid of American capital and enterprise, would bring ? Difficulties there may be in getting rid of any established system, and even when the people have made up their minds as to their own interest it is not certain that legislation in that sense will at once follow. Every day shows us that a government in possession of power and patronage, though elective, may be a different thing from government by the people. Yet in the end nature cannot fail to have her way.

It is from manufacturers alone, or from banks and wholesale dealers connected with them, so far as I can see, that the commercial opposition comes, and even in this quarter it is far from universal. Many of the manufacturers recognize the benefits which the measure would bring to the whole country, and are willing, or even more than willing, to take their chance in the larger market, though in some cases they would have to spend

money in adapting their system of production to it. Not one of our leading manufacturers, so far as I am aware, has yet plainly avowed his inability to compete with the Americans. My friend Mr. H. E. Clarke complains that the argument in favour of Commercial Union is a mere torrent of words. Let him give the discussion a thoroughly definite and practical form, in one part of the field at least, by declaring, as the chief of one of our manufactures, that he is incapable of holding his own against the Americans in a fair market and telling us his reasons for that belief. Of the plea of infantile weakness, experience has already disposed. The manufactures of the Western and Southern States were set up and are flourishing in face of the long-established manufactures of New England. As has been said before, the newest works are likely to have the latest improvements, and hence to be the strongest not the weakest. Labour is at least as cheap and good on this side of the line as on the other. What then has Mr. Clarke to fear? Does he really fear anything commercially, or is his opposition mainly sentimental? I do not wish to decry sentiment of any kind, or to say that commercial considerations ought not sometimes to give way to it. But if, as a clerical opponent of Commercial Union has been reminding us, man does not live by bread alone, man does live by bread, and I would submit to Mr. Clarke that of all sentiment the most undeniably genuine and precious is that which has its seat in a happy home, while homes can hardly be happy unless the people receive the full earnings of their labour and enjoy a fair measure of material comfort.

The industries which unhappily have some ground for alarm are more artificial and less strong than that of Mr. Clarke. But, to borrow in part Mr. Clarke's simile of the bay and the lake, I doubt whether the little fishes of the bay have not as much to fear from the big fishes of their own secluded waters as they have from any incursion of the big fishes from the lake. The tendency of an artificial system like that under which we are living seems to be to beget millionaires and to extinguish such traders as are not strong enough to meet the violent fluctuations sure to be produced by protection applied to a limited area. For the rest, I can only say once more that this is the painful part of the subject, but it was not without such warning as journalism could give that the Government, from the

policy of a revenue tariff with adjustment to national industries, allowed itself to be drawn in an unlucky hour into a policy of protection. An effort at least was made at the time to point out that whatever might be the effect of protection when applied to a territory so vast, with a range of production so unlimited as that of the United States, when applied to the comparatively small market of Canada, and to a country with so limited a range of production as ours, it was certain to be a failure. Instead of saying the market of Canada, it would have been more correct to say the market of a Canadian province. The provinces, as has already been said, have little or no natural trade with each other. Each of them, at least each of the four divisions of them, under the present system, is to itself the only free market on this side of the Atlantic.

The millers, a most important and influential interest, seem to be generally in favour of Commercial Union. Well they may be, after the experience of the last nine years.

The eyes of the farmers are being opened. They begin to see that the development of our natural industries which Commercial Union promises, would provide them with more customers than can be provided by any forced industry, and with customers for whose creation they will not have to pay a heavy percentage in the shape of duties, on all the imported goods which the farmer uses. They are also beginning to ask whether, if American goods are, as Mr. John Macdonald told us, of such quality that Canadian goods could not compete with them in an open market, it is really wise to deny themselves the liberty of buying American goods. Nor do they miss the moral of combinations to keep up the price of sugar or cottons.

Appeals to hatred and mistrust of Yankees are evidently worn out; while arguments based on an alleged antagonism between the interest of the Imperial country in this matter and that of the colony, or on the impossibility of obtaining the benefits of Commercial Union without accepting political union, are producing an effect the very reverse of that which those who use them would desire. Ultra-sentimentalists may depend upon it that they have been living in a fool's paradise on these points.

I am the very last man to treat with levity any profession of attachment to the Mother Country; otherwise I might be tempted to laugh at the expressions of filial horror at the thought of discriminating against British goods which continue

to proceed from commercial gentlemen who are themselves excluding British goods by protective duties, and are besieging Ottawa to get those duties raised still higher. Little does it signify to the British manufacturer whether the tariff by which his goods are excluded is passed by Canada alone or by Canada in conjunction with the United States, though it is assumed by our Protectionists that in the first case all is well and in the second case the skies of commercial loyalty must fall.

Our movement is in response to that made in Congress by Mr. Butterworth, and for the purpose of ascertaining how his proposal would be received on our side. We shall presently see what the mind of the Americans is, if only the manœuvring of political parties for the inside track in the Presidential race does not interfere with a fair consideration of the question. All along the border, and wherever a lively interest is felt in the question, we have every reason for believing that the feeling is favourable. We hear of special interests being adverse. It is said that iron-masters of Cleveland and the lumbermen of Michigan wish to keep out Canadian iron and lumber. Not all the lumbermen of Michigan are hostile, for a letter from one of the greatest of them is before me, expressing the strongest sympathy with the movement. But we must be prepared for some opposition of that kind. The feudal baron planted his castle on the route of commerce, and sallying forth with his men-at-arms levied toll upon the trader with a strong hand. The baron of monopoly instead of a castle sets up his restrictive code of law, and instead of men-at-arms keeps in his pay his lobbyists; and perhaps we may rather prefer the toll-taker, who avowed that the toll was his object, and did not pretend that he was fostering infant industries, diversifying the national character and enriching the community by taxation. What is the mind of the Washington Government, we have as yet no right to say. But we know that President Cleveland has declared against taking more money from the people than the necessities of government require. In other words he has declared for such a reduction of the tariff as would probably bring it very close to ours; and if he keeps that flag flying he will be re-elected.

The question of commercial relations between the two countries can hardly fail to come up in connection with the Fisheries Commission. The appointment of a Western man by the

American government as one of its commissioners seems to indicate that such is the expectation. It is a pity that Mr. Chamberlain is to go straight to Washington without first visiting Canada and learning the needs and wishes of our people, about which he probably knows little; but to have our affairs settled by those who do not know much about them is a consequence of our being a dependency. Mr. Chamberlain's Canadian colleague and adviser will be a party politician with party objects of his own which may or may not coincide with the interests of the community at large, and the question will be settled in a diplomatic conclave uninstructed and uncontrolled by the people whose vital interests are at stake. This is not satisfactory, but it is a part of our present system.

VI.

An American politician, and one certainly not wanting in sagacity, writes:—"The time will undoubtedly come when the Dominion and the United States will be more closely united, *but I fear that Commercial Union would defer indefinitely the political union.*" Such is the real feeling, so far as I have seen, of those Americans who set their faces against Commercial Union and would scare Canada from it. Here is the answer to the insinuation that in promoting a measure which would make the Canadian people content with their commercial situation we are inciting them to political change. With more plausibility might the adversaries of Commercial Union be accused of conspiring to show the people that there is no way of obtaining a free market for their produce and securing the fair earning of their labour except political annexation. Restrictionism, which drives the flower of our population across the line, is annexation by inches and in the saddest form.

A false impression has, perhaps, been produced by dwelling on the assimilation of tariffs as if that were the object of the measure. The object of the measure is the removal of restrictions on trade. Assimilation on tariffs is merely a necessity incident, or apparently incident, to the practical adjustment of the scheme. If the tariffs were not assimilated when the customs line between the two countries was removed the seaboard

of one country would become a backdoor for smuggling into the other. Far from seeking an assimilation of tariffs as the main object, and as a step toward political union, Commercial Unionists, I apprehend, would be perfectly ready to dispense with it if any other mode of obviating the difficulty, such as declarations as to the nationality of goods or transmission in bond, could be made to serve the purpose as well. But it is preposterous to contend that a special agreement with a foreign Government with regard to fiscal arrangements involves a cession of national independence.

The two families of the English-speaking race on this continent will some day be one people. Such is my belief, and I never conceal it. Nor do I conceal my conviction that the union will be happy for both parties, and not less happy for their common Mother, who has no real political interest on this continent except amity with the whole race. But I am equally sincere in saying that I see no reason why an extension of commercial intercourse should bring with it a change of political relations. I see no reason why an extension of commercial intercourse should do this any more than the extension of railway communications in which commercial restrictionists take an active part. The railway connection which the C.P.R. is making with the United States at the Sault seems to me fully as annexationist in its tendency as the removal of the Sault custom house would be. Do the alarmists think that on the opening of free trade with the States the Ottawa Government would disappear or relieve by abdication the people from whom it takes so much and for whom it does so little?

Accounts from the United States continue to be good so far as the disposition of the people and of the bodies which represent commercial interest is concerned. We have strong proofs of the growth of favourable opinion. Since attention has been drawn to the subject the interest does not seem to be confined to the border States. Boards of Trade have been moving in different parts of the Union. The minds of the politicians at present are, of course, absorbed in the faction fight for the Presidency, and no legislative question, whether domestic or foreign, stands much chance of settlement or even of practical consideration in Congress till the Presidential election is over. Party, whether in the United States or in the Dominion, cares for nothing but its own game. Moreover, Canada and Cana-

dian questions are prejudiced in negotiations with the American Government and Legislature by the odium attaching in the minds of American politicians, at least of such as play for the Irish vote, to a dependency of Great Britain. The Fisheries question would soon be fairly settled if Canada were an independent commonwealth of this continent.

In this country we are asked to believe that Commercial Union is dead. If it were, Annexation would rise from its grave. But why, when it is dead, are such desperate efforts made to kill it? The new organ of the Government and the protected manufacturers seems to have hardly any other employment. Into any constituency where the issue is raised at a bye election speakers and money are poured. Cries that treason to the tariff must be stamped out resound on all sides. It is disagreeable to see, in connection with this subject, a tendency to revive the system of "rib-stabbing" in the old interest and under the old auspices. The people have now had a taste of better things, and rib-stabbing is out of date. There are things which are very much beneath the dignity of a Prime Minister of England or a President of the United States, but not, it seems, beneath the dignity of a Prime Minister of Canada. We are always being reminded that we are a dependency and not a nation. Mr. Thomas Shaw, the secretary of the Central Farmers' Institute, and of the Commercial Union Club, who has been the object of attack, is no hireling. He has served his cause honourably and from conviction, if ever man did. All who have read his pamphlet know that he has served the cause well. In the meantime our meetings in different parts of the country continue to be held, and with the same encouraging results as before. I have myself just returned from a meeting at Brampton, where the farmers of Peel were represented, notwithstanding the severity of the weather, in numbers which overflowed the hall, and the resolution favourable to Commercial Union was carried without dissent. It is impossible to believe that the men I there saw before me will in the end allow their vital interests to be disregarded or sacrificed to party watchwords; much less can it be supposed that they will permit themselves to be cowed by slanderous accusations of disloyalty or blustering threats of military coercion. What does loyalty to England mean? Upholding her honour against the attacks of her enemies, vindi

cating her rights, exerting yourself to defend the integrity of her claim against dismemberment, or charging other people with disloyalty to her while you lay protective duties on her goods?

There is, of course, strong opposition to be encountered; effort and patience will be required as usual in proportion to the prize, which is nothing less than the emancipation of Canadian industry. The Dominion Parliament will vote us down, as it master has announced that it will, and will thereby show once more that elective government is not necessarily the same thing as government for the people. The process carried on for twenty years with consummate skill and full command of the public resources has produced its effect on the character of the Legislature, and, at the same time, as these election trials show, on the political morality of the people. Party managers may also be disposed to resent the intrusion of a great question on the machine tactics by which they have just been leading their party to victory. Their hostility shows at least that Commercial Union has had its origin, not in party machinations against the Government, but in the natural desire for Continental free trade engendered among the people by the vices of the restrictive system.

From the Local Legislatures, if they will take up the question which the report of the Inter-Provincial Conference has laid before them, we may expect something more like a genuine expression of the mind of the people. The truth is that of all the recommendations of the Inter-Provincial Conference this is the one which the Local Legislature may discuss with the best hope of a practical result. For improvements of our constitution, which require amendments of the British North America Act, they might as well order prayers to be offered up in our churches as send petitions to the Parliament of Great Britain. Overloaded at all times, and now paralyzed by Irish obstruction, the Parliament of Great Britain has not a thought, much less a moment of time, to spare for anything Canadian. Help in that quarter there is none, but in regard to the commercial question we may to a certain extent help ourselves.

In Manitoba almost everyone, except those in the service of the Government or of the C.P.R., is in favour of free trade with the continent, which is manifestly a vital necessity to that province. But the Liberals are more likely to act indepen-

dently of the restrictionist influence at Ottawa, and therefore the transfer of the Government to their hands is a gain to Commercial Union.

Appeals are addressed, and from Restrictionist quarters, to Mr. Mowat to develop the mines of the province. What is he to do? Is he to go down with a pick, raise the ore and sell it to himself? How is it possible to develop any resources otherwise than by giving them a market? Continental free trade and nothing else will bring about the development which my friend, Mr. Hamilton Merritt, desires.

I am not aware that there are any new arguments to combat or any new fallacies to expose. Denunciations, threats, personal abuse, appeals to sentimental prejudice, and prophecy are still the order of the day. Nobody, I suppose, believes or even supposes it to be seriously asserted that all the leading friends of this movement, including the principal farmers of Ontario and the chiefs of our other great natural industries, are in the pay of Mr. Wiman and are serving his grand design for raising the value of real estate on Staten Island. The people are not influenced by such monstrous fictions, nor will one who is firmly convinced that his cause is good and will succeed in the end allow himself to tarnish and compromise it by engaging in an ignoble brawl. This is the only answer that can be given to personal attacks. Do protected manufacturers suppose that if motives are to be called in question no motive can be assigned for their opposition to the emancipation of Canadian industry, except pure and single-hearted attachment to the general good?

The farmer, I believe, is by this time pretty well awake to the fallacious character of the argument that Restrictionism, by forcing capital out of natural industries into hot-bed manufactures, furnishes him with more customers for his produce. He sees that the development of the natural industries, when their fetters were struck off, would furnish him with a much larger number of customers, and without making him pay toll for their creation on his clothes and other articles for consumption. He has grasped the fact that our protective policy is at once a tax and a manacle upon those industries which are not protected.

American competition, we are told day after day, would be "crushing to our manufactures." Those who reiterate this

wail do not see how completely they give away their own case. If a trader is crushed by fair competition, it must be because his goods are very inferior or much too dear. In other words, the community under the present system must be suffering extortion. That the competition in the present case is not fair cannot be pretended, since the price of labour is somewhat higher in the United States than here. Restrictionists always assume that all our manufacturers are in the same boat. But the truth is that not a few of them are willing, while some of them are more than willing, to go into the open market. That there are some who having been lured into investment by the delusive policy of the Government, might be in danger if the false basis on which their industries are founded were withdrawn, can hardly be denied. This, as I have said before, is the painful part of the matter, and alone causes me any misgiving or compunction in advocating a measure which I believe, as firmly as I believe in my own existence, to be fraught with increase of wealth and happiness for the mass of the Canadian people. We must hope, and I do hope, that in the first place the number of manufactures adversely affected by Commercial Union would not be so large as is supposed; and, in the second place, as the change is not likely to come suddenly, there would be no danger of anything like a crash.

VII.

The interviews with leading manufacturers published in *The Mail* show plainly enough that if the race were open the Canadian manufacturer would have a perfectly fair start. Adaptation of his mode of production to a wider market, by making fewer articles on a larger scale, would be all that, if his business was sound in itself, he would need. And what can anyone in reason desire or claim more than a fair start? Can it be necessary again to set forth the proof that by forcing capital and labour out of their natural channels into artificial channels we simply waste them, while left to themselves they would add more to the wealth of the country, give employment to more hands, and furnish the farmer with more buyers of his produce? The policy of taxing the farmer's clothes and implements in order to provide him with customers for his grain, is surely one

which, had it been devised by some recluse professor of political economy, instead of being devised by practical politicians, would have drawn down derision on him and on his tribe.

From the North-West I get a journal, devoted to the Government, the tariff and the C. P. R., which undertakes to show in three columns, bristling with statistics, that the North-Western Provinces or Territories are supremely happy in being cut off from the neighbouring market, and that admission to it would be their ruin. It is to be hoped that the statistics are more genuine than those of Manitoban manufacturers, which Mr. Wade exposed in the columns of *The Mail*, and which have found their way into the *London Times*. But the argument founded on them applies just as well to Minnesota or Dakota as to Manitoba or to the District of Saskatchewan. Would Minnesota, Dakota, or any other state of the Union be better off if it were shut out of the commercial pale of the continent by a tariff wall drawn round it and forced to look to a market on the other side of the Atlantic? Let us have an answer to that question.

We have also continued comparisons between the value of our trade with the United States and that of our trade with England, from which the inference is drawn that the English market is much the better. The English market has hitherto been better than the American, for the simple reason that it has been free, while the American market has not been free. When by the Reciprocity Treaty of 1854 the American market was made free in regard to certain articles the result, as everybody admits, was decisive. But it is really needless to discuss this question. Nobody proposes to close the English market. If we get free trade with the States we shall have the American market and the English market as well. Which of the two markets is the better will then be seen.

However, except as regards the case of a few of our weaker and more artificial manufacturers, the commercial argument is almost at an end. I doubt whether the man is to be found who sincerely and in private maintains that we, with our energetic, intelligent and frugal people, and with all our natural resources awaiting development, should not gain by admission to the market which is close at hand, and which is at the same time the richest in the world. As *The Mail* has said, it is on the political argument, or at least the appeal to political fears

and prejudices, that the Restrictionists really rely, and against this it is that the friends of Free Trade with the continent have practically to contend. Yet that argument has never yet been presented in a definite and intelligible form. We have had nothing but shouts of "Loyalty" and shrieks of "Annexation," which have no more meaning or relevancy in the present case than the cry of "Great is Diana of the Ephesians!" What is proposed is simply a fiscal and commercial arrangement identical in its essential character with that made by the Reciprocity Treaty of 1854, though more comprehensive. Why, let us ask for the thousandth time, should this affect our political relations or our national dignity? Why should a special agreement of this kind change the general life of a nation any more than that of a man? In making a commercial bargain with a man you do not embrace his politics or his religion. My friend the Hon. Mr. Young is afraid that if we cease to levy duties on American goods, and to have duties levied by the Americans on ours, we may be constrained to adopt the American view of the Sabbath. There is nearly as much reason for this fear as there is for the fears of those who fancy that Commercial Union must bring with it political annexation.

If there is a tendency to annexation, increase of intercourse will be likely to strengthen it; this nobody denies. But increase of commercial intercourse will not be likely to strengthen it more than increase of railway intercourse, of social intercourse, of religious intercourse, of philanthropic intercourse or any of the other kinds of intercourse which are being daily extended and which not even the most high-flying Loyalist thinks it possible to interdict. Assuredly no increase of commercial intercourse can be half so effective in paving the way for annexation as the actual fusion of the populations which is being brought about by means of the exodus, under and through the operation of the very system which the professors of Loyalty uphold, and which is constantly sending the most enterprising of our young farmers and no inconsiderable amount of Canadian property with them over the line. However, Mr. Chamberlain tells us, as the result of his observations, that there is very little annexationism in the States, while Sir John Macdonald emphatically declares that there is none here. If there is very little disposition to annexation on one side and none on the other, both parties being free agents,

how is the catastrophe to be brought about? Let alarmists suspend their outcries for a moment and put that question definitely to themselves. Of the correctness of Mr. Chamberlain's opinion as to the general absence of annexationism among the Americans, I happen to have fresh evidence from the pen of an entirely trustworthy witness. The fact is that Party, whether in Canada or in the United States, thinks of nothing but its own game, and the American politicians tremble at the thought of admitting into their field of operations so new, so large, and so uncertain an element as the Canadian vote. What the future may have in store is a different question, and one on which I have already expressed my opinion without disguise. That the mere removal of the tariff wall would be necessarily followed by a political union, or by political change of any kind, seems to me a totally baseless assumption, though its baselessness will probably not prevent its reiteration when commercial argument or solid argument of any kind there is none.

That Canada would resign her fiscal independence by entering into a commercial treaty, however comprehensive, with the usual liberty of withdrawing, is an assumption which seems to me not less baseless. It derives colour only from the incidental proposal to assimilate the tariffs. Assimilation of tariffs, I repeat, is not the object of Commercial Union; the object of Commercial Union is free trade with our own continent. Assimilation of tariffs is merely a safeguard against reciprocal smuggling. Nobody insists on adopting it if any other expedient equally effectual can be found; though there can be no doubt that Canada would be the gainer by assimilation accompanied with a pooling system, if the division of the revenue were to be on the basis of population, to which, or to any arrangement liberal towards Canada, the Americans with their overflowing treasury might not be indisposed to consent. But if our Restrictionists think that the commercial system of this country can be settled irrespectively of that which prevails over the rest of our continent, and that we can enjoy perfect independence in this sense, they never were more mistaken in their lives. If Mr. Cleveland's policy gains the day in the United States, the Restrictionists will soon see whether it is possible to maintain their present policy here. The nation of sixty millions, with its overpowering wealth, must be, in a

great degree, the commercial regulator of North America. A commercial independence setting at naught this influence, I repeat, is out of our reach. If the proposal of Commercial Unionists were that our most convenient winter ports, with the power of licensing or suspending our winter trade, should be placed in the hands of the Americans, there might be some ground for the cry of treason. But this Nature has done; and our own Government, by promoting the construction of the short line through Maine, to the obvious disparagement of the Intercolonial, is in fact setting its seal to Nature's decree. In spite of all loyal declamation and railing against the Yankees, geography will have its own.

There is another way in which the Restrictionists are dependent on the United States, though it is in their own despite, and they would be very unwilling to own it. If emigration to the United States did not afford a safety-valve for the discontent engendered by the restrictive system an explosive force would accumulate which would soon save us the necessity of further debate.

To anti-American feeling appeals are no longer made except in a few eccentric quarters. Nothing can be more marked than the subsidence of that prejudice in the course of the last twenty years. In truth, not only has kindly intercourse increased, but actual fusion has been going on so rapidly that in the case of a very large number of Canadians a quarrel with the United States would be a quarrel with their own sons and brothers. The progress of reunion between the Americans and the English has been equally manifest and equally rapid. In shrinking from contact with the people of the United States we should be a great deal more British than the British themselves.

To accuse us of disparaging the country because we propose a change in her commercial policy, or rather a logical extension of the policy already adopted, is childish. Every change however beneficial, is to that extent a disparagement of the previous state of things. Is the country dishonoured when it is said that the industrial and commercial qualities of her people would enable them to reap great benefit from an extended market? Are a man's strength and speed cried down by saying that though he does pretty well in fetters he would do much better if his limbs were free?

As to the cry of disloyalty, it was well said the other day by Mr. Dewar that all reformers and improvers from the framers of the Great Charter downwards, have in their day been disloyal. They have all been disloyal to an established system and to the special interests bound up with it, while they have been loyal to the broad interests of the nation and of humanity. But before we proceed with the discussion of this rather invidious and not very fruitful topic, I have a friendly challenge to throw out. Let some manufacturer who has taken an active part in constraining the Government to lay protective duties on British goods, one of the promoters of the new iron duty, for example, lay his hand upon his heart and declare that the thing against which his loyal conscience rebels is simply and solely discrimination against Great Britain, and that he would be equally transported with loyal indignation if the measure which he supposes to involve such discrimination were to his own advantage. It might be possible, though it seems difficult, and if it were possible Commercial Unionists would not be unwilling, by adopting, in place of assimilation of tariffs, some other mode of preventing reciprocal smuggling, to avoid the appearance of discriminating against British goods. Would that satisfy the loyal Canadian manufacturer? Would he then be willing to let us have free trade with the United States? The resolution moved by the Hon. John Macdonald at the Toronto Board of Trade deprecated the extension of relations with the United States only so far as it might be inconsistent with duty towards Great Britain. Should we have his vote and those of his supporters if the semblance of discrimination were removed?

Sir John Macdonald, in reply to the outcries of the British manufacturers against his tariff of 1879, avowed, in words which have been often quoted, that in fiscal matters he was for Canadian Home Rule to the hilt, and that so long as his system suited Canada he did not care what Englishmen, Scotchmen or Irishmen might say. Great Britain has taken from the colonies all the privileges which they once enjoyed in her markets. Simple justice required that she should at the same time concede to them complete fiscal independence, and this she has done. In framing her commercial policy she keeps singly and solely in view the special interest of her own people, and she leaves the colonies to do the best they can for theirs.

We have the assurance of the Conservative leader, who is at the same time a Privy Councillor and a Grand Cross of the Bath, that we may take the fullest advantage of that liberty, in face of the protests of British producers, without departure from our allegiance, and therefore without prejudice to our loyalty. Our circumstances are those of a comparatively small community placed alongside of a mighty neighbour, to whose policy we are compelled to have reference and in fact have always had reference in regulating our own. In this respect our circumstances differ from those of any other British colony, and the difference must be taken into account. Mr. Chamberlain does not pretend to deny that Commercial Union would be good for Canada; if it would our charter covers it, and he has no right as a representative of British manufacturers, who frame their own tariff absolutely by the rule of their own interests, to lay an interdict on our freedom of action in this matter.

For my own part, as I have said before, I am an Englishman, and it would be difficult, I trust, to prove that I have ever failed, when called upon, to show it. Were any measure really adverse to Great Britain proposed, if I could not conscientiously resist it, I should stand aside. I am thoroughly convinced that free trade between Canada and the United States, even if it entails assimilation of tariffs, would not be adverse, but, on the contrary, advantageous to Great Britain. The value of her six or seven hundred millions of investments here would at once rise, and a new field for investment would be opened to her capitalists, equally to their benefit and to ours. Her farmers and farm labourers emigrating to Canada would find better employment and a more prosperous home. It is not at all likely that, supposing the tariffs to be assimilated, the joint scale would be more adverse to Great Britain than the Canadian scale is now. Such would be the immediate consequences of continental free trade to the Mother Country. If I mistake not, the ultimate consequences, both commercial and political, would be better still.

Mr. Chamberlain tells us that before we can get Commercial Union we shall have to convince England, the United States and Canada. As to the decision of England I have no fear, when the case shall have been fairly put before her. In the United States we must not expect legislative action till the all absorbing contest for the Presidency is over, but the accounts

of the growth of opinion are highly encouraging. That Canada is coming to a conviction in favour of unrestricted trade with her continent the meetings which continue to be held in different parts of the country show. We had a capital meeting of the farmers of West Durham at Bowmanville yesterday. This movement, being unforced and clear of party, has, at all events, roused the Canadian farmer to independent thought about his own substantial interests, and loosened a link in the chain of his slavery to the party machine.

VIII.

Sir Richard Cartwright has the advantage of being a thoroughly political, not a forensic speaker. He brings out the great points of his case with the force essential to a style of speaking the object of which is not to obtain the judgment of a court, but to leave a broad impression on the popular mind. His speech of March 4th, though it will produce no effect on the Government majority, will tell on the country. His resolution, if it comes to be submitted to the House, will be voted down of course, but not by anything like such a majority as voted down Parliamentary Reform and the Repeal of the Corn Laws upon the first introduction of each in the British House of Commons.

His chief opponent appealed to the standing offer in the Tariff Act of reciprocity in natural products. That offer is the decisive answer to all attempts, whether made by the Conservative ministers, or by any other controversialist, to cast doubts on the advantages of reciprocity. It is a recorded admission that free trade with our own continent is essential to the interests of our farmers, our lumbermen, our miners, our ship-owners, our fishermen; in a word, to all the natural and truly national industries of the country. But reciprocity in natural products only, it is well known, we cannot have. The Americans will not give without getting something in return. They will not consent to what Sir John Macdonald, when it is tendered to us, calls "a one-sided and jug-handled reciprocity." Either, then, our government must be prepared for reciprocity in manufactures as well as natural products, or the standing

offer in the Tariff Act is a hollow mockery, designed only to throw dust in the eyes of the Canadian people.

Like an able and discreet tactician, the chief spokesman of the government threw the main question into the background. He did not attempt to show that free trade with the continent is not essential to the development of our natural resources, or that without it our people can enjoy the fair earnings of their industry, and the country its destined measure of prosperity. He did not touch the crucial question how, if every State in the American Union prospers by reason of its free trade with the rest, a Canadian province can fail to suffer by exclusion from the commercial pale. But he contends that Commercial Union would derange our finance and disturb our relations with the Mother Country.

The most telling part of his speech probably is that which relates to the disturbance of finance. Here he is fortified behind a sinister rampart of his own building. The wastefulness of Government by piling up debt has not only laid a heavy burden of taxation on the country, but embarrasses its commercial policy. What, however, is now contended is that it is worth our while to let our trade and industry be crippled, to allow our immense natural resources to lie dormant, and to expose ourselves to commercial atrophy, and to the exodus both of men and capital attendant on it, not for the sake of seven millions of dollars, though that would be a poor enough reimbursement, but for the sake of raising that sum by a particular mode of taxation. The mode of taxation happens to be one which it will be hardly possible to maintain along the vast open frontier of the North-West when that region, to which, as it does not manufacture, the tariff is an unmixed evil, shall have filled up and become strong. A Minister cannot allow himself to contemplate the possibility that when the shackles were struck off from trade and industry, the recuperative buoyancy of the tariff, consequent on the increase of prosperity, would go far to make up the deficit. Still less can he allow himself to see that the expenditure of the Ottawa Government has within a few years increased by more than seven millions without any benefit whatever to the community, and might be reduced, not only with advantage to the public purse, but with equal advantage to our political morality, since a system on which Nature has laid her ban, has been and can be up-

held only by corruption. Disturbance of finance, if it leads to retrenchment, will be to us a blessing hardly disguised.

As to the relations with the Mother Country, let us give the Mother Country leave to speak for herself. There was a loud and not unnatural burst of indignation when those who are now shouting loyalty laid protective duties on British goods, but as yet there has been no audible burst of indignation at the proposal of Commercial Union, though the subject has been pretty widely discussed both in the British press and by commercial bodies. The people of England know that when colonies are permitted to lay protective duties on British goods the fiscal unity of the Empire is at an end. They appreciate the fact that their interest in Canada as investors is larger than their interest as importers, and see that in the net upshot they will be the gainers by a policy which would enhance the prosperity of this country. They might invest capital in Canadian industries and thus themselves enjoy the benefits of the opened market of the United States. To act in defiance of their veto is what nobody proposes; but let us wait till the veto comes. Commercial Union could in itself affect no political relation, nor would it detract a particle either from the revenue or from the authority of the Crown.

To the vague cry of disloyalty, again raised, we can only reply once more that the same cry has been raised against every great legislative improvement from the Great Charter downwards. It was raised against the advocates of Responsible Government in Canada by a party which soon after saluted the object of loyalty, in the person of its representative, with a volley of stones and rotten eggs. We must content ourselves with asking what policy is good for the people. The policy which is good for the people must be loyal towards any government which has the good of the people for its end. Mr. Davies seems to have given the "discrimination" objection its quietus by showing that in fact we already lay a higher rate of duty on the aggregate of British than on the aggregate of American goods; in other words, that we do discriminate in favour of American against British trade.

Once more we hear of the supreme advantages of a home market, as though that were not a home market which the development of our home industries by affording a market for their products would create. Once more, too, we are told that

the cause of the exodus is the unpatriotic conduct of the people who will not shut their eyes to its existence, and that we should see nothing adverse to our prosperity if we could only be true patriots and bury our heads in the sand.

There seems to be a nervous disposition to drop the name Commercial Union and to adopt Unrestricted Reciprocity in its place. I should myself have preferred "Continental Free Trade," had we not been told that the phrase "Free Trade" would raise theoretic questions which were not involved, and which it was our policy to avoid. "Commercial Union," as I understand it, differs from Unrestricted Reciprocity only in more clearly including mutual participation in the fisheries and coasting trade. It was adopted, I believe, in direct contradistinction to political union, and for the special purpose of guarding against any such idea. However, the name has now become thoroughly current in England and the United States as well as in Canada, and is imbedded in all the literature of the question. An attempt to change it would look like the hauling down of a flag and would not propitiate opponents who are already crying out that Unrestricted Reciprocity like Commercial Union is annexation in disguise. I have not happened myself, in the different parts of the country in which I have been, to hear any objection expressed to the term. The people are ready for Commercial Union, name and thing, if only the question could be put to them clear of political issues which have no relation to it, and of partyism to which, though it is utterly senseless, and not one of them can give an intelligible account of it, they have to an extraordinary degree become slaves. Get the farmers to prefer their own bread and that of their families to a shibboleth, and the battle is won. In any case the success of emancipation is merely a question of time. What the Restrictionists have to vote down is the map.

The reception of Mr. Hitt's resolution by the Foreign Relations Committee at Washington argues well for the success of the movement in that quarter, and rebuts the story of American indifference propagated by those who at the same time were charging the Canadian friends of reciprocity with being the paid agents of American conspiracy. The want of an extended market, of course, presses less on the Americans than ourselves, their present market being so much larger than ours. It was therefore natural that they should be slower to move. But in

the United States opinion once formed spreads very rapidly, and in this case there is no opposition, so far as we can see, in any section of the Union, which is likely to prove very strong. There, as here, the chief difficulty is that of obtaining a verdict on the economical question apart from political issues and the contest of political parties for power. That difficulty is serious, I know, on both sides of the line; it may long delay a measure which the interest of the people clearly demands, and for which the people, if they were allowed, would at once vote. But it is against the map that restriction fights and the life of the map is long.

LETTER FROM MR. GOLDWIN SMITH TO THE
SECRETARY OF THE COMMERCIAL UNION
CLUB, TORONTO.

AMERICAN OPINION ON TRADE RELATIONS WITH CANADA.

Mr. Geo. Kerr, jun., Secretary of the Commercial Union Club, has received the following letter from Prof. Goldwin Smith :—

GEORGE KERR, Jun., Esq.,
Secretary of the Commercial Union Club.

My Dear Mr. Kerr,—On my way South, I have halted at Washington a few days, partly to learn what I could about the position and prospects of Commercial Union. The result of my inquiries is in every way satisfactory. The promoters of the measure in Congress are sanguine, and the outlook appears entirely good. The argument from American indifference or contempt, so often used by our opponents, will certainly be available no more. Allowance must, of course, be made at present for the absorption of public attention by the approach of the Presidential election, which interferes with the action of Congress even in domestic matters of pressing importance. It is natural that the necessity of improved trade relations should less quickly impress the mind of the larger and wealthier than that of the smaller and less wealthy nation. This only shows

the baselessness of the suspicion that Commercial Union had its origin in an American conspiracy against Canadian wealth and independence. When an opinion has once gained a hold among the people of the United States its spread is rapid. I can hear of no serious opposition. The question has been wisely kept out of party and presented as purely general and international. But there is nothing apparently in Commercial Union to repel either of the political parties. On the contrary, it seems to have strong points of attraction for both.

The Committee of the House of Representatives on Foreign Affairs, in reporting favourably on Mr. Hitt's resolution to promote Commercial Union with Canada, says :—

" Our commercial relations with Canada have recently awakened a deeper interest and received a more thorough discussion than ever before on both sides of the border. The tendency of public opinion is plainly towards the enlargement of trade between the two countries." They express their belief that the power conferred by the resolution upon the President of meeting Canadian overtures for Commercial Union " will lead to beneficent results, promoting the independence, prosperity and peace of two great peoples."

I accepted an invitation to appear before the Committee of the House of Representatives on Foreign Relations, and was heard with an attention that proved the interest felt by the committee on the subject. My first object was to obviate the impression that the rejection of Sir Richard Cartwright's resolution by the Canadian Parliament would be the rejection of Commercial Union by Canada. I explained that the question before the country when the present Parliament was elected was not Commercial Union, of which there had at that time been no mention, nor indeed commercial policy at all, Mr. Blake having declined that issue. I gave what I thought a correct account of the defeat and the present weakness of the Opposition, which would enable the Government to command a large majority in the coming division. I showed that under our system of Parliamentary government Ministerialist members, even if some change had taken place in the opinions of their constituents, would be bound under heavy penalties to vote with the ministry, since its defeat would entail resignation and dissolution. I assured the committee, and I hope with truth, that the rejection of Sir Richard Cartwright's resolution, even by a large majority, would in no way damp the spirits of Commercial Unionists, but that we should look forward with unabated confidence to the verdict of the people at the next

general election. I recounted the origin of the movement in favour of Commercial Union among us, and gave the proof of its increasing strength, showing that it extended to the representatives of all our great natural industries, while the commercial opposition was almost confined to that portion of our manufacturers who feel themselves dependent upon legislative protection. I admitted, of course, that a strong opposition on political grounds was being offered and would probably continue to be offered by the leaders of the Conservative party. As to the counter-movement of Imperial Federation, a public meeting in favour of which had been announced, I could only say, with all respect for the aspirations of its promoters, that it seemed to expend itself in emotion, without propounding any definite plan ; that I did not believe that the Colonists would consent either to conform to an Imperial tariff, or to contribute to Imperial armaments if those proposals were fairly brought before them ; that there was not, in my opinion, the slightest chance either of inducing the English masses to raise the price of their food by discriminating in favour of the Colonies or of inducing the protected manufacturers of Canada to consent to the free admission of British goods, and that even if the British Colonists of Canada could be persuaded to accept such a scheme of Imperial centralisation and surrender of Colonial self-government, it would be unanimously rejected by the French.

I am more than ever convinced of the absence of any ground for the apprehension that Commercial Union would necessarily bring political union in its train. Not only is there no visible inclination among Americans to drag Canada into the Union, but there is in some highly influential quarters a visible leaning the other way. Here, as in Canada, party considerations rule, and fear of the disturbing influence which the entrance of Canada into the Union might have on the balance of parties is stronger in the mind of the politician than any promptings of territorial ambition. Dakota, with a population of 600,000, has now for six years been vainly seeking admission as a State. Her prayer is refused because her entrance would disturb the balance of party. My impression is that even if Canada desired admission to the Union she would, in the present circumstances, have no small difficulty in obtaining it. On our side the initiative would rest with a Government and Legislature, every member of which is bound by ties of interest and

ambition to the present political arrangements. If those who are shrieking about annexation would only consider how it could be brought about without any disposition on the part of the holders of power on either side, their fears would depart, and, it may be hoped, that their proneness to misrepresent those who differ from them would depart with their fears. In the commercial sphere Commercial Union, while it would be an immense boon to the many, might, I am afraid, endanger the interests of a few. In the political sphere it would endanger nothing except the continuance of a policy which has wasted the earnings of the people to an enormous amount in struggling to put asunder what nature has joined, and of which the fruits are an ever-increasing mountain of public debt, commercial atrophy and the exodus.

I am also struck as often as I visit the States with the general prevalence among the Americans of good feeling towards Canada and England. Of the moral reunion of the English-speaking race, there seems to be the fairest prospect and I can hardly imagine the existence of a member of that race by whom, if he has any regard for its greatness, its moral reunion would not be welcomed. When enemies of Commercial Union call the United States "the Sodom of the South," we must ask them whether they know anything of the great community, identical with ours in blood and organic institutions, of which they speak in such terms, and whether they remember that it now comprises nine hundred thousand Canadians, and at least an equal number of English, Scotch or Irish from the North of Ireland, who, by the way, are now seeking naturalization and are likely to become a political element of no small power. Mr. Chamberlain, the British plenipotentiary, in his speech at Toronto, refused to call the Americans a foreign people, so that those who treat them as "foreign and hostile" would seem to be setting themselves in opposition both to the sentiment and to the policy of the Mother Country. The Americans must always be our neighbors; kindly relations with them can never cease to be of the most vital importance to us, and to cultivate their enmity would seem to be not only ungenial and an outrage on kinship, but the very height of folly. The same violence of language and offensiveness of attitude on the part of the same section of Canadians have already helped

to wreck the Reciprocity Treaty, the loss of which our farmers, at all events, have reason to deplore.

If the commercial and industrial question could only be submitted by itself and apart from political issues to the people of both nations, there can be little doubt what the verdict would be. We should at once enter into the advantages of Unrestricted Reciprocity, together with a share of the coasting trade. It is in the entanglement of the commercial and industrial question with political issues of a party character that the principal danger of miscarriage lies. I have read the reports of the debate at Ottawa without finding a single commercial argument of a substantial kind advanced on the Ministerial side. Speaker after speaker, passing over the material interests of the people, or throwing them into the background, appeals in passionate strains to political prejudice and party feeling. In that Parliament we know too well the appeal will not be made in vain, but three years hence the cause we hope will come before a different tribunal.

IMPERIAL FEDERATION.

The announcement of a public meeting for the discussion of Imperial Federation was welcome to Commercial Unionists. Though Imperial Federationists tell us that they do not deign to regard Commercial Union as a rival policy, Commercial Unionists cannot help regarding Imperial Federation as a policy which stops the way. We shall therefore be glad to see the plan brought to the test of practicability by clear presentation and full explanation of details. Nor is there anyone who could do this for us more ably than Mr. Dalton McCarthy.

As this question, like that of Commercial Union, transcends party politics, Mr. Dalton McCarthy, Mr. Cockburn, or any other Conservative politician who may be concerned, will feel himself on this occasion unembarrassed by party ties, and at liberty to meet the objections urged against the scheme by his political chief. "We are told," said Sir John Macdonald in his speech on the new tariff, at Toronto, on November 3rd, 1881, "that we want an Imperial Federation. I will not trouble you with a disquisition on that subject just now; but I tell you

Imperial Federation is utterly impracticable. We could never agree to send a number of men over to England to sit in Parliament there and vote away our rights and principles. I am, as far as this question goes, up to the handle a Home Ruler. We will govern our own country. We will put on the taxes ourselves. If we choose to misgovern ourselves we will do so, and we do not desire England, Ireland, or Scotland to tell us we are fools. We will say, if we are fools we will keep our folly to ourselves. You will not be the worse for it and we will not be the worse for any folly of yours." This is pretty decisive language, language which it would be difficult to explain away. Nor can it be questioned that Sir John is right in appealing to our mistrust of Colonial delegates sitting in England. Those delegates, if we may judge from experience, would soon become more Belgravian than the Belgravians, greater courtiers than any lord-in-waiting.

We shall, no doubt, hear what the Federationists deem the answer to this objection and to the objections which have been raised on other points. We shall hear what they have to say about the relations to be established between the Federal Parliament and the Parliament of Great Britain, and between Federal and British parties; about the ambiguous function which would be assigned to the Crown as the head of two legislatures which might easily come into conflict with each other; about the disposal of India, which contains five-sixths of the total population of the Empire; about the obligation which would be imposed on the colonies of contributing to European or Asiatic wars for objects in which they have no interest; about the necessity of communities differing as widely as possible in their economical circumstances to accept a common tariff; about the mode of apportioning the representation so that Great Britain should have her fair share without utterly swamping the colonial delegations. We shall learn, also, by what body the Federal Constitution is to be framed, and, what is of equal importance and still more difficult to settle, to whom the powers of interpreting the Constitution and of enforcing it in case of breach of its provisions or of disobedience to Federal edicts is to be assigned. It is to be hoped that we shall also be enabled to see what is the precise object which this vast association of communities scattered all over the world and differing considerably from each other in character, social struc-

ture, and political tendency, is to serve. An object intelligible to all the members every association must have, otherwise it will be without a principle of union; and it will hardly have been framed before insubordination and dissolution will set in. Least of all could an association, in which it is evident that the centrifugal forces must from the beginning be exceptionally strong, so that extraordinary effort is necessary to bring about the union, afford to dispense with a vital bond. The whole tendency of events during the last century has been towards colonial decentralization. To reverse what thus appears to be the course of destiny some tremendous motive power must be applied.

As to the practicability of the scheme I must, pending further explanations, agree with "the Canadian Beaconsfield," who, however, would hardly say as his supposed English prototype said in private to Lord Malmesbury, "Those wretched colonies are as stones round our necks, and besides they will be independent before long." But the sentiment which inspires Imperial Federationists commands my hearty respect. Their proposal of radical change implies that they hold our present position to be neither noble nor safe; and I am persuaded that they are right. It is miserable to be forever a mere dependency and never to have a place among the nations. It would be miserable even if dependence brought with it protection free of cost. But dependence brings with it nothing of the kind. To talk about our being any longer under the ægis of Great Britain is idle. In every dispute that has arisen with the Americans as to our rights we have been made to feel that the arm of the Imperial country is not stretched over us. On the other hand, whatever hatred or jealousy her power excites extends to us in full measure. If we were the Republic of Uruguay the Americans would probably give us at once a fair settlement of the Fisheries question and pride themselves on their magnanimity in doing so. But as it is, they negotiate with Canada as jealously as if she were Great Britain, and override her claims as if she were the Republic of Uruguay. They know as well as we do that the British Ambassadors who act for Canada have morally no force behind them. The aristocracy which once ruled England might have gone to war with the American Republic on a Canadian question. The democracy, which now rules England, could never be induced to go to

war with the great power of this continent, and a Republic with which it has the strongest sympathy, for any objects of ours, any more than our democracy could be induced, for British objects, to contribute to the expense of a Russian war. The fisheries question, after decent diplomatic formalities, has apparently been settled like the questions of Maine, Oregon and St. Juan. A war between England and other maritime powers, such as Russia and France, in which the enemy's cruisers might get to sea and prey on Canadian commerce, would put the soundness of the existing relation to a crucial test.

Imperial Federationists and all who deal with these questions ought to have distinctly present to their minds the change which has come over the political spirit of England. The monarchy to which the eyes and hearts of Loyalty were turned is now a crown upon a cushion, and the power of the aristocracy is almost gone. I understand Mr. Froude or any one else who prefers the rule of a Royal Governor, supposing him to be a man of sense and integrity, to a government of faction, demagogism and corruption. But the Royal Governor, as everyone who looks at facts must know, is reduced to the shadow of a shadow. His last prerogative has been surrendered to the party leader. The colonial relation now means simply the subordination of one democracy to another, without any perceptible benefit to either, and with much detriment as well as disparagement to the one which is subordinate. The Constitution of the Dominion was an experiment, and was constructed to get Canadian politicians out of the deadlock into which their factious struggles for power had brought them. Everybody must see that it needs revision. But revision it cannot have since power of amendment there is practically none. A monarchical government, looking from its throne over the Empire with comprehensive and paternal view, might have attended to colonial legislation. The democracy of which the British Parliament is the tumultuous organ has no eyes or ears for any concerns but its own. It is absorbed, like our democracy, by its own party questions and conflicts. If it did legislate for us, its legislation would be that of ignorance, as would our legislation if we undertook to legislate for the democracy of Great Britain. So long as Canada remains a dependency, she must be without the power of constitutional self-government; she must be content to forego that higher political life which is enjoyed by the

least of nations. This and nothing else the Colonial relation means ; and therefore, I repeat, the dissatisfaction of the Imperial Federationists with the existing state of things is well founded and generous, though the change which they propose may not be feasible.

In Mr. Froude's recent work on the West Indies we get a lesson as to the benefits which the rule of an Imperial democracy confers on the people of a distinct dependency. The refusal of England to sanction a commercial arrangement with the United States, which might have saved the sugar interest, has proved, according to Mr. Froude's informants, a final sentence of ruin. In the West Indies, as in the Maritime Provinces, under a system of restriction, commercial atrophy has set in. The white population is meditating departure, and the islands are likely to fall into the hands of the negroes, who will soon relapse, like those of San Domingo, into savage anarchy and their wild African superstitions.

Baronetcies and Knighthoods the relations of Colonial dependencies gives us. Each of them might be found upon examination to have cost Canada dear. But perhaps some of us would be inclined to supplement Sir John Macdonald's remark as to the inexpediency of entrusting our interests to delegates domiciled in England, by a similar remark as to the inexpediency of entrusting our interests to members of the British baronetage and knighthage resident here.

Dependence is sure to tell, like any other political relation, on the political character of a people. For the political character of the Canadians nature had laid the best possible foundation in their moral and social qualities, as well as in their economical circumstances ; nor could more promising material for a free commonwealth have been found. Yet in no community which calls itself a nation, and in whose heart national pride has its seat, should we be likely to find the lack of independence and self-respect upon which the holders of power and patronage presume here. "The people of Queen's County, New Brunswick, want railways and other public works, and they all know that the policy of the Government regarding railways is liberal. If a Government supporter is elected any reasonable request will be granted. It rests entirely with the Government candidate what will be done. The Government will not encourage and foster King, and unless Queen's supports the

Government candidate she has no right to ask for public works." With such promises of a miserable mess of pottage as the reward of subserviency, and such threats of its withdrawal as the punishment of independence, does a Government candidate in Canada approach his constituents. Could a Government candidate in Mexico show less consideration for the self-respect of Mexicans? Why does the Government here, as a rule, carry all the bye-elections while in England it more often than not loses them? Is not the answer to that question to be found in the speech to which I have referred exhorting Canadian freemen to vote for the power which has the distribution of the loaves and fishes? East Northumberland in a Dominion election goes one way; in a Provincial election it goes the other; but on both occasions it goes with the Government. It is not only Opposition leaders who complain that our standard of public morality has sunk low. It has sunk lower than the standard of public morality in the United States, where Mr. Colfax was driven from public life for an action of corruption which would scarcely have affected his position here. Some of our people seem almost to feel pride in being governed by unscrupulous astuteness and well-managed corruption. The Canadian is superior probably in intelligence to the average British elector, but unlike the Briton he cannot, without great difficulty, be induced to stand unflinchingly in a minority, much less to stand alone. This is no doubt partly to be ascribed to the general operation of the party and demagogic system which teaches men to surrender their souls to party tyranny and to shake like aspen leaves at the breath of anything which they take for prevailing opinion. But it is also in part to be ascribed, if I mistake not, to the absence of all that is bracing, ennobling and elevating in the political influences which are bound up with the name of nation.

COMMERCIAL UNION IN ITS AMERICAN ASPECT.

LETTER TO THE NEW YORK "INDEPENDENT," JAN. 24, 1888.

The Editor of *The Independent* has done me the honour to desire that I will explain to his readers the movement in Canada in favour of Commercial Union with the United States, respect-

ing which he says some of them are very imperfectly informed. The fact is, that most Americans, and even most American statesmen, are very imperfectly informed about Canadian questions generally, and about Canada herself. When Canadians betray fear of American designs against their independence, I tell them that in twenty years of intercourse with Americans, I have hardly ever heard the desire of annexing Canada expressed, while of annexing her by force I have never heard a whisper ; and that if they knew the truth they might be more mortified by the indifference of their neighbour than alarmed by his tendency to aggression. Yet Canada is an important part of this continent and will have her share of influence for good or evil on its destinies ; of this we had an inkling at the time of the Civil War. For my part, I am an Englishman, true at heart, I trust, to the land of my birth, and zealous for her honour and her greatness. But I desire to see the British aristocracy fairly out of this continent, because I think that its attempt to rule and meddle here, if continued, will some day work evil to all parties concerned. There is another thing in Canada to which American eyes are not yet turned, but to which some day they will be turned perforce. The schism in the Anglo-Saxon race produced by your Revolution, entailed the loss of that which the arms of the united race had won in the struggle of England and her Colonies against France. The portion of the race in Canada being isolated, its assimilating forces have proved too weak to digest New France, which has grown up into a separate French nationality, now daily becoming more intense, and, from the extraordinary rate at which its population multiplies, is rapidly extending its borders so that it threatens to overflow your North-eastern States, and aspires to a division of the continent. The remnants of the English-speaking population are being fast eliminated from the Province of Quebec. This growth will have its consequences in time, perhaps something like the consequences which the growth of Irishry has had in the United Kingdom. It is, I venture to think, a very bad part of your perennial contest for the Presidency that it confines the interest and narrows the mind of your people to the cockpit in which that battle is fought, and renders them blind or indifferent to anything beyond, even to that which is going on upon their own continent and concerns them most nearly. Nay, you seem in danger of falling into a

sort of legislative paralysis, every question being suspended till after the Presidential election, the influence of which is always extending itself further back over the Presidential term.

"Commercial Union," "Unrestricted Reciprocity," "Continental Free Trade," are three different names for the same or nearly the same thing. For my own part I preferred "Continental Free trade," but this was discarded because it seemed to threaten Protectionists with the adoption of Free Trade as a general principle. "Unrestricted Reciprocity" as a watchword was somewhat cumbrous. Thus we slid into "Commercial Union," which is perhaps more accurate in this respect that it includes community of Fisheries and of the coasting trade, which forms part of the scheme.

We had once a restricted reciprocity to which an end was put, partly by the impression of the people of the United States that it was not fair to them, partly and principally by the ill-feeling which arose between Canada, as a dependency of Great Britain, and the United States at the time of your Civil War. What is now proposed is complete reciprocity of trade in all articles, whether natural or manufactured, so that the Customs Line between the two nations shall be abolished, unrestricted freedom both of selling and buying shall be the law of the whole continent, and from end to end of it the flow of capital and the march of commercial enterprise shall have perfectly free course. This Northern continent would then, though politically divided, be economically one, as Nature means it to be. We should practically have got back to the footing on which the wisest of British statesmen, such as Shelburne and Pitt, wished to place the relations between the two divisions of the Anglo-Saxon race, after their political separation, and which was that of an amicable division of the great Anglo-Saxon heritage. The Fisheries dispute, in common with all other commercial questions between the two countries, would at the same time be settled in what appears the only permanent and satisfactory way.

This is the essence of the plan. But free trade between the United States and Canada involves an assimilation of their tariffs on the seaboard because otherwise the country the imports duties of which were lowest would become a back-door for smuggling into the other country. It happens that through the raising of Canadian duties simultaneously with the reduction of your debt the tariffs are spontaneously approaching each

other. Some system of pooling the Customs revenue and dividing it in fair proportions might else be a necessary part of the machinery for carrying out the arrangement. There are proposals for letting the Customs Houses stand and having recourse to a system of transmission in bond or of affidavits as to the nationality of goods. Into these I need not go. Free trade between two adjoining nations, if they are so minded, is an object so manifestly practicable in itself that statesmanship may be trusted to settle the details. An assimilation of Excise as well as of Customs would be necessary for the same reason which renders necessary the assimilation of Customs.

A glance at the map, the economical, not the political map, of this continent suffices to put the case before us. Here are four blocks of territory which make up the Dominion*—the Maritime Provinces, Old Canada, French and English, the newly opened region of the Northwest, and British Columbia—separated from each other by great spaces of desert or by barriers such as Lake Superior or the Rocky Mountains. With each other they have hardly any natural trade, though the attempt is made to create a forced trade among them by means of a protective tariff which compels the settler in the Northwest to resort to markets a thousand miles off for his farm implements and some of the necessaries of life. But they have all natural products—minerals, lumber, fish, or special kinds of farm produce—which they want to send to the market of the continent. From that market they are shut out by the tariff wall between them and the United States. Each of them is in the plight in which a single State of the Union would be if it were severed commercially by a fiscal barrier from the rest. The inevitable effects, which everybody notices on crossing the line, are undeveloped resources and commercial retardation. Canada needs liberty of buying in the American market as well as of selling in it. There are many articles which the wealthier and more scientific country only can produce or can produce best and which the less wealthy or less scientific country must be content for the present, at least, to purchase. The attempt to force Canada to divert her labour and capital from the development of those natural resources which are real wealth to manufactures, and to make her provide all manufactured articles, even the finest

* See Map.

machinery, for herself by means of Protection, has borne the fruits which the Protective system applied to a small area and a narrow market, was sure to bear, whatever may be its results when it is applied to a vast area with an immense range of production, such as the territory of the United States. A bad system of production is engendered, the manufacturer being compelled by the smallness of the market to produce a number of articles, instead of producing a few on a large scale. Articles are lowered in quality, while spasmodic over-production is followed by desperate endeavours to keep up the price of goods by combinations against the public. The head of our largest dry-goods establishment in Toronto avowed that the capital which had been recently drawn by Protection into manufactures, would not, in a free market, be worth more than thirty-three per cent. of its face value; whence it followed that the interest on sixty-seven per cent. was being paid, in effect, by taxation of the community. On the settler in the Northwest, who, as I have said, is prevented from buying his farm implements and some of the necessaries of life in the nearest and best market, the tariff presses with cruel force. This, with the restriction on the free construction of railways imposed in the interest of the Anti-Continental and Separatist policy, has manifestly retarded progress in the Northwest.

Looking at the matter from the American side, we see American capital and enterprise debarred by the tariff wall from opening up the rich natural resources of the northeru part of the continent. The wealth of Canada in minerals of different kinds is almost fabulous; but this wealth lies dormant, and the golden treasure-house of Nature remains locked through the exclusion of your capital and enterprise, as well as from want of a free market for the ores and of liberty to import the machinery which Canada cannot make for herself. At the same time your manufacturers are debarred from a market which is already of no small importance, and might become very large and rich if the natural resources of Canada were developed and their development were followed by a proportionate increase in her wealth and population. It is naturally by the people of your border states that this is most felt; the commercial community of Detroit especially feels that it is cribbed and confined by the Customs Line; but what affects one part of a nation affects it as a whole, and the entire population of the United

States has an interest in the free extension of American enterprise northward, and in the admission of American products to the northern market. Scotland had not anything like the natural wealth of Canada ; yet commercial union with her brought to England a large increase of commercial activity and wealth as well as of political power ; and the result would in this respect have been the same had the union been merely commercial.

Suppose the continent were politically undivided, who would not deem it insanity to build up a commercial barrier between its Central and Northern portions, so as to cut off Central and Southern enterprise from the development of Northern resources, and Northern resources from Central or Southern markets ? But the political division makes no difference in the economical relations. Why should we perpetuate to our mutual injury a state of things which is perfectly irrational, and which had its origin in political accidents as little beneficent as any in the hateful record of enmity between nations ?

The Canadian tariff has been avowedly framed on the principle of retaliation ; or, as its framer said, of resorting to reciprocity of tariff, if we were refused reciprocity of trade. Its ultimate object, if its framers are to be believed, was reciprocity of trade. It embodies a standing offer of reciprocity in natural products, on the principle of the Old Treaty, to which our people still look back with wistful eyes. But your people naturally enough refuse a one-sided, or to use Sir John Macdonald's own phrase, a "jug-handled" reciprocity. They reasonably demand an equivalent for their admission of Canadian products, in the shape of a free market for their manufactures. Unrestricted reciprocity, in short, is the only attainable kind of reciprocity as well as much the best.

Mr. Butterworth's action in Congress has met with a signal response here. Almost without any formal organization a movement in favour of Commercial Union has been set on foot and is daily gaining strength. Out of some forty-five meetings of the Farmers' Institutes of Ontario, called for the discussion of the question, forty-two have declared in favour of Commercial Union. All the natural industries of the country—those of the farmer, the lumberman, the miner, and the fisherman—are necessarily on the same side. On the other side are only such of our protected manufacturers as feel that they cannot hold their ground

without protection, the Tory Government which has called the protected manufacturers into existence as a body of political adherents, and the party by which the Tory Government is supported and which does not desire extension of intercourse with the American Republic. I need hardly say that to those who feel as I do on these subjects, the tendency of a commercial policy to hasten the moral reunion of the English-speaking race constitutes an attraction not less than its material advantage.

Commercial argument against continental free trade there is absolutely none, saving the danger with which some of our weaker manufacturers would be threatened by free competition, while the stronger would only have to accommodate their system of production to the circumstances of the larger market. There is nothing but vague prophecy of woe and ruin which one Jeremiah has carried to the pitch of predicting that after Commercial Union the country will relapse into a jungle, amidst which the Canadian farmer will look for his homestead in vain—a flight of vaticination equal to that of Lord Belhaven, the great opponent in the Scottish Parliament of the union of Scotland with England, who foretold that, if the union took place, a Scotchman would be prevented from dying of hunger only by lack of money to pay for his burial.

The chief reliance of the opposition is on the cry of disloyalty, combined with "the bugbear of Annexation." It would be disloyal, we are told, to enter into any arrangement which would involve a discrimination against Great Britain in favour of a foreign nation. Mr. Chamberlain, the British Plenipotentiary, it may be observed in passing, refused the other day in his speech at Toronto to call the people of the United States a foreign nation. However, the discrimination would not be against Great Britain, who would neither lose a cent of revenue nor surrender any authority beyond what she has already surrendered by permitting the Colonies to regulate their own tariffs and lay protective duties on British goods. It would only be against a small class of British producers, whose interest is entitled to no preference over that of the Canadian subjects of the Queen. Far be it from me to disparage political sentiment or to say that commercial considerations are not to be sacrificed to it. But surely it is a singular loyalty which lays protective duties on British goods in its own

interest and flames up into indignant protest only when it is itself to be exposed to American competition. Ask a Canadian manufacturer to admit free the goods of the land to which he is so devoted, and the limit of his devotion will at once appear. There is besides these commercial loyalists in Canada a small set of people who exalt themselves in their own estimation by perpetually railing against Yankees and trying to nurse the rapidly dying embers of the old feud between the two portions of our race. But the reconciling influences are too strong for them. There can be no serious doubt that Canada, when the question is fairly put before her, as it probably will be at the next general election, will declare for Commercial Union. Nor is there reason to anticipate any serious difficulty on the side of England. When, the question having been formally raised in the case of the colony of Victoria, the Colonies were permitted to lay protective duties on British goods, commercial autonomy was virtually conceded to them in full measure, and it cannot be restricted now. Canada must be allowed to do what is best for herself commercially as a community of this continent. This the English people will see, and, as they have over six hundred millions of dollars invested here in various ways, their interests in Canada as investors at least equal their interests as importers. As to the bulk of the British people, in whose hands political power now is, they care nothing about any question on this side of the water, and could never be induced to interfere. The threat of a veto was uttered, I suspect, by Mr. Chamberlain in haste, and when the time comes will, like previous threats of the same kind, be tacitly withdrawn.

COMMERCIAL UNION WITH CANADA.

LETTER TO THE NEW YORK CHAMBER OF COMMERCE.

[From the New York Times.]

The Committee appointed by the Chamber of Commerce of the State of New York to consider the matter of Commercial Union between this country and the Dominion of Canada has received the following letter from Professor Goldwin Smith :—

DEAR SIR,—In reply to your letter of the 5th inst., let me assure you that I consider it a great honour to be invited to express my views on the subject of a Commercial Union between Canada and the United States to a committee of the Chamber of Commerce of the State of New York. The advantages of continental free trade to Canada are too manifest to require demonstration. In her soil, her forests, her waters, and her mines, she has natural products far in excess of her own wants which seek access to the continental markets. She has also a fund of labour of the best quality which the development of these resources would employ. She would at the same time greatly benefit by the free importation of those manufactured articles which she cannot produce for herself, or which can be better or more cheaply produced in the wealthier and more scientific country.

To the United States, Commercial Union would bring the full enjoyment of all the natural wealth of Canada, which American capital would develop, as well as an extended market for American manufactures. That Canada at present, with her resources imperfectly developed, is not so rich as the United States forms no reason for believing that the union with her would not be profitable. Scotland at the time of her union with England was a comparatively poor country, yet the union proved highly profitable to both parties.

It is impossible to look at the map of this country without seeing that the exclusion of the Canadian Provinces, geographically identified with it as they severally are, from its commercial pale, is a struggle against nature and a renunciation of the benefits which she proffers to the continent as an economical whole. Each of the four blocks of Canadian territory—in the Maritime Provinces—old Canada, comprising Ontario and Quebec, the newly-opened region of the North-West and British Columbia*—is inseparably connected by commercial bonds with the States of the Union adjoining it to the south, while those States reciprocally have in it their natural complement and partner.

By Commercial Union the Fisheries question would be settled, and it is difficult to see how it can be settled satisfactorily and permanently in any other way. It is hoped also that a part

* See map.

of the arrangement would be such an extension of the Extradition Treaty as would relieve the continent from the incentive furnished to commercial dishonesty by the existence of an asylum for fugitives from justice on each side of the line.

The movement in favour of Commercial Union among the Canadian people has been perfectly spontaneous. Their thoughts having been turned by the Fisheries dispute and some other circumstances to their commercial relations with their neighbours, the conviction that unrestrained reciprocity is their true interest has impressed itself upon their minds, and has been spreading rapidly without the aid of organized agitation or wirepulling of any kind. Out of thirty Farmers' Institutes in the Province, twenty-eight have declared, and as a rule unanimously, in favour of Commercial Union, one only being adverse, and one being still in suspense. Our Commercial Union Club in this city has just been formed in response to repeated solicitations, and to supply a manifest need. Those connected with the great natural industries of the country—the farmers, the miners, the lumbermen, and the fishermen—seem to be almost unanimous in favour of the scheme.

The commercial opposition appears to consist of those among our manufacturers who think they have reason to fear American competition, the banks which have advanced them capital, and a certain number of wholesale houses. The manufacturers, being better organised and more political than those who are connected with the natural industries, the opposition appears more powerful than it really is, and its aspect is rendered yet more imposing by its concentration in the great cities. Both our leading journals advocate Commercial Union. That the boon of free trade with our own continent, if fairly offered to the Canadian people, would be accepted, there can, I think, be no serious doubt.

The difficulty and the danger of miscarriage arise in this, as in similar cases, chiefly from the entanglement of a commercial question vitally affecting the material interests of the entire people with questions of party politics, to which it has no relation, and with the struggles of political leaders for power and place. Were it possible to submit the subject, divested of party influences, to a convention composed of commercial representatives of each State of the Union, and of each of the

Provinces of Canada, with instructions to frame a plan for submission to the Legislatures, there would be more hope of a result in accordance with the real interests and wishes of commerce and industry on both sides of the line.

I am, dear sir, very truly yours,

GOLDWIN SMITH.

TORONTO, Nov. 5, 1887.

SPEECH IN THE HOUSE OF COMMONS ON RECIPROCITY WITH THE UNITED STATES.

BY MR. WM. MULOCK, M.P. FOR NORTH YORK.

[Delivered April 6th, 1888.]

I do not propose, considering the length to which this debate has been protracted, to prolong it to any great extent. At the same time, considering the importance of the question, I am not prepared to give a silent vote. The subject is one which, I believe, demands from the First Minister of the Crown an expression of opinion on the floor of Parliament. Had the circumstances permitted, I think we should have had an expression of opinion from the hon. the Finance Minister, but when he was unable, through circumstances beyond his control, to give the House and the country the benefit of his views upon this question, it was more than ever incumbent on his seniors in the Cabinet to have placed their views upon record. They have not seen fit to do so. But three members of the Cabinet, at different stages of the debate, ventured to commit themselves. The last Minister of the Cabinet who spoke, the Secretary of State, made a most extraordinary statement, one that does not commend itself, at all events, to my mind. He took the position that, no matter what the facts were, no matter what the statistics established, no matter what the arguments proved, no matter what interests were involved, they all counted for nothing if the sentiment of the country was with him. What he had in view was the votes of the people, and not the interests of the people, and he delivered what he considered an infallible judgment at once, when he said : the people are not with you on this occasion. Where, he asked, are the petitioners ? Where are the expressions of opinion for or against the proposition ? He got one of his answers to-day, when Prince Edward County spoke.

Could there be a better evidence of the will of the people than the verdict rendered at the polls, and should the debate continue a few days longer, another would be given in the per-

son of the representative of Missisquoi, who was recently elected on this very issue in a constituency that a few months ago gave at the polls a Conservative majority, and which to-day rendered a verdict in favour of this proposition by some hundreds of a majority.

We had another election the other day in L'Assomption, which had been carried by a Liberal, at the general election, by a majority of twenty-one. I am told that this trade question was the leading issue in that contest, and that it turned entirely upon it, and the result was that the people of that county, by 400 or 500 per cent. over the previous majority, returned a member in favour of the proposition which is now before the House. Surely, in face of these facts, the Secretary of State need not assert that there is no evidence before the House of the feeling of the country on this matter. We had lately the benefit of the opinion of the Minister of the Interior on this question. What argument did he advance against the proposition? He admitted the right of Canada to do what it is proposed to do. He admitted that it might be to the interest of Canada to do what this Resolution proposes shall be done, but he took the ground that we should not be mean enough to legislate in a way that might not conserve the interests of England. Then we had the benefit of the opinion of the Minister of Marine and Fisheries, and what was his argument against this proposition? His argument was that there was no such thing as a natural market, that markets could be made by the expenditure of money and of energy, and that no natural markets were to be found on the earth, that markets were artificial creations, and he pointed to the United States, and said that, even if we did get free trade with the United States, they were producers of the very things that we would produce, and therefore we would find no market there. It is too late for one to indulge in mere opinion, but I will trouble the Minister of Marine and Fisheries with some brief statistics, which I think will convince him, or which ought to convince him, that trade does find a natural level, in spite of many obstructions, artificial and natural. If you take the trade of Canada for 1887, you find that over 40 per cent. of our whole trade was with our neighbour, the United States. We sold last year to the United States over \$37,000,000 worth of the products of Canada, notwithstanding the obstructions in the way of that trade by rea-

son of the high tariff existing in the United States. Had that tariff not prevailed, I think we may fairly assume that our trade with the United States would have been vastly more during the past year than it was. If you look at the trade which Canada has done with the whole world during the past year, you will find that, with all the efforts we have been putting out, having established connections with all parts of the civilized world, we have only been able to sell \$7,000,000 worth of the products of Canada to all the nations of the earth with the exception of the United States and Great Britain. We sold last year to the United States five times as much in value of our products as we sold to all other countries in the world, Great Britain alone excepted. Does not that teach us a lesson? Can we not draw inferences from those facts? Will any philosophy enable us to say in a sensible, truthful way, that trade does not assert itself on geographical lines, and follow as nearly as possible the natural directions indicated? If not, how comes it that all nations confine so much of their trade to their near neighbours? I think there can be but one deduction drawn from it, and that is, that if we do not interpose obstacles, trade does naturally seek the nearest market. In Canada what is the nearest market? We sell, first of all, to ourselves,—we have our domestic trade. The vast bulk of the trade of this country is at home amongst the people, and the surplus, following the principle of selling in the nearest market, if it is the best, finds the nearest market, which is always the best, and that, in our own case, is the market of the United States. Now, my hon. friend the Minister of Marine and Fisheries says there is no natural market in the United States for anything that we have. He says that the United States are producers of the very articles that Canada produces, and therefore it is idle to seek to obtain access to the United States market; it is bringing coals to Newcastle; that is the burden of his argument. I have looked through the list of imports in the United States in the past year and what do they disclose? I may not have made out a complete list of all products of Canada which have been imported into the United States; if not my argument is so much the weaker; but I find that the United States last year received from foreign countries \$61,711,024 worth of products, every one of which could have been produced in the Dominion of Canada. On those products the United States customs

houses collected \$19,318,181. These articles are as follows : Animals, barley, bituminous coal, copper ore, fish, hemp, furs, hay, hops, iron ore, pig iron, lead, leather of various kinds, spirits, cheese, salt, potatoes, lumber, wooden ware and wool. All these articles are producible by the people of Canada, and all of them were purchased by the United States last year to the extent of over \$60,000,000, in spite of the tariff imposed. Can any hon. gentleman say now that there is no possible market in the United States for what the people of Canada can produce ? Sir, to say so is to trifle with the facts. The volume of trade under these circumstances would, I think, be vastly increased were we to have free access to the markets of the United States. My hon. friend from North Renfrew (Mr. White) touched very lightly upon the effect of the Reciprocity Treaty. If we examine the imports and exports of the old Provinces of Canada during the continuance of the Reciprocity Treaty, they will tell us whether a high tariff is a hindrance to trade or not. In the year 1854, we sold to the people of the United States \$2,162,250 worth of products ; in the succeeding year, our products entered the United States free and the amount of exports immediately jumped up to the sum of \$4,184,319, or very nearly double the amount of the preceding year. I may say in this connection that as our exports to the United States in succeeding years went up, those of England went down. What did that prove ? It proved that for our surplus products, in the year 1854, when there was a duty upon them going into the United States, we had to seek a comparatively unprofitable market in Great Britain, but in the succeeding years, when they went into the United States duty free, we sold in the best market, of the United States. During the continuance of that treaty the volume of our exports to the United States increased by leaps and bounds, so that in the year 1866, when the treaty was repealed, we exported to the United States the enormous sum of \$34,770,261 of the products of the old Provinces of Canada. Now, I would call the attention of the Minister of Marine and Fisheries to this point. In the year 1866, the last year of reciprocity, the Provinces of Upper Canada, Lower Canada, New Brunswick and Nova Scotia, exported to the United States products to the value of \$40,127,266. That year the American people imposed a high duty upon our products and the

effect since then has been that in the year 1887, the last year for which we have complete returns, we only exported to the United States 37 million odd; in other words, whereas 22 years ago these four Provinces, under free trade with the United States, sent to them over 40 million dollars worth of Canadian products, to-day, although we have become more powerful, although our population has considerably increased, our trade has fallen off with the United States to the extent of nearly three millions of dollars. So I think that so far as natural products are concerned, there is no possible argument against the proposition, that if we remove the barriers imposed by the Custom houses, our trade with the United States in natural products would vastly increase. But it is said by the friends of the manufacturers that this policy would destroy our own manufactures. I would deplore such a result with any man. I do not desire to see any industry in Canada sacrificed, I desire to see what is best for the whole of Canada adopted by Parliament and by the country, and being of that wish, and believing, as I do, that evidence is producible to show that our manufacturers would not suffer, I am firmly of the opinion that we will not endanger our manufactures by enabling them to obtain access to the United States markets, even by giving access in Canada to the manufactures of the United States.

At this hour I will simply ask hon. gentlemen to apply the lesson that is furnished by the growth of the southern States, and ask whether Canada, if admitted to the markets of the United States, would not be able to have such a record after a reasonable period of time. Is there anything in Canada, is there anything in the Canadian people to warrant us in saying that they cannot accomplish what the people of the Southern States have accomplished, given the same conditions? Are our people less energetic, are they less capable? Those hon. gentlemen who say so declare want of confidence in the people of Canada. They do not mean it. They are afraid of the competition. They are afraid of making an honest trial. They are afraid to give up what they call a certainty for what may, to their minds, prove an uncertainty; but in the light of facts and in the light of history, which should teach us and from which we should learn, I cannot see how Canada can fail in any arena in which the American

people have succeeded. Why, the hon. member for Centre Toronto the other night furnished us with a little argument upon this point. He said in his glowing language that he knew something of the Southern States, that he came from them, or had something to do with them. He stated that within the last eight months there had been invested in industries there over \$100,000,000. Well, Mr. Speaker, if the conditions of the Southern States are such that, having the whole of the market of the United States, they put their capital of \$100,000,000 in eight months to build up industries, why would he not apply the same reasoning to what would follow in Canada if we had access to that great market?

Mr. Speaker, we are talking business. We mean business, and the people of Canada want business, and the people of the United States wanted business, and when they invested \$100,000,000 during the last eight months it was for business. It was because they saw there was a market in the United States for what they would produce, and because they expected a return, that they invested that capital. Whether we are under one flag or a dozen flags it does not make any difference in the amount of money we are making, if we can get the customers under the same conditions. Mr. Speaker, the Minister of the Interior argued in favour of the loyalty cry. That is a favourite trick in order to take the attention of the public away from the issue involved. If this proposition is sound on business principles it is sound in its entirety. If this proposition can be defended as one likely to produce comfort, to supply wants, to make the value of labour more than it is, that is loyal; and that is a proposition which ought to be commended to the people. But I am willing to take the hon. gentleman at his own words. I am willing to test him by the record of his friends to see whether they really are sincere when they try to cause this loyalty cry to be raised in order to prevent the people from debating this proposition, or whether the cry is merely raised as a device in order to humbug the country.

Now, in 1854, hon. gentlemen, or some at least in this House, will remember that in the old Legislative Assembly of the Provinces of Canada this very question came up, and although no final decision was arrived at, yet on the 26th May, 1854, a

resolution was adopted by the Committee of the House at that time in the following words :—

“ That the principle of reciprocity with the United States be extended to the production of manufactures, and to the registration of Canadian and United States built ships, and to the shipping and coasting trade in the same manner as to the production of agriculture.”

That resolution, so far as I have been able to discover, and I speak subject to correction, was not opposed by any member of the Conservative party. It was reported to the House, but I do not find that it made any further progress. But looking at the members who constituted the committee that reported upon it, I find that they represent pretty fairly the Conservative element of that day. The chairman of the committee was a gentleman who I believe had at the time no very decided political views—the Hon. W. Hamilton Merritt. I do not know that he had any particular political views. At all events that resolution was then offered to the House and no protest was raised against the principle involved in it. It was not then declared to the country that it was disloyal. The Conservative party did not then declare it was disloyal. They were not nearly so loyal then as they are now, and it was not very long before that they were taking a very different view of the whole political relations of Canada. It was only about five years before that a number of their leading lights declared that the only salvation for Canada was political annexation to the United States. I do not know that the Conservative party ever treated with any great cruelty some of the prominent men that took part in that movement. I believe that one of them has recently been promoted to a high position in the Cabinet of the hon. gentleman opposite. In fact they have all at times come in for favours, sometimes from the Government, and in many cases from Her Majesty, by being decorated in testimony of their extreme loyalty and worthy citizenship. At the particular time this resolution was brought in some members of the Conservative party then in the country were not as they are to-day so sensitive upon this question. They were prepared at all events to discuss any question involving the best interests of the country. Mr. Speaker, in 1878 the Conservative party proposed what they called their National Policy and we have several times had the resolution proposed at that time brought before the attention of the House. That resolution told the people of Can-

ada. that this National Policy that they were proposing was simply the means to an end, and that end was to be what we are seeking to day, reciprocity. Not only did they tell us that, but they emphasised it in their resolution, in order that there should be no possible difference of opinion on the question. That policy the resolution says, after referring to some other things :

"Would encourage and develop an active inter-provincial trade and moving (as it ought to do) in the direction of reciprocity of tariff with our neighbours, so far as the varied interests of Canada may demand, will greatly tend to procure for this country eventually a reciprocity of trade."

What does "eventually" mean ? Does it mean a time so remote as is indicated by the member for North Simcoe when he proposes eventually to benefit the farmers of Canada by his Imperial Federation scheme, and when he succeeds in inducing English statesman to tax breadstuffs so as to raise the price of wheat from seventy-five cents to one dollar for the Canadian farmer. That is the relief proposed by the member for North Simcoe. Is that "eventually" ? Did the First Minister mean when he put the word in the resolution that it was to be at a remote period, or did he mean that that word was to be accepted in the ordinary sense of plain language in which it was expressed, that "eventually" meant just as soon as such a treaty could be obtained. That was the view presented to the people on the hustings, that is the proper reading of this article and that is the right view to take of the aim of the hon. gentleman at that time. I am reminded by my hon. friend from Wentworth that the present Finance Minister asserted that this National Policy would produce this highly desirable result of reciprocity within three years, so that "eventually" has really expired now. Well, Mr. Speaker, the First Minister was not nearly so loyal then as he is now. He was very much concerned at that time about putting money into the pockets of the people, and British connection had not much to do with it. Whatever enriched the people of Canada was the first law unto him at that time ; and so, when he came to move his resolution in 1878 he was prepared to throw overboard Great Britain. In the course of his speech in support of his National Policy, after depicting all the benefits that would flow from it, he said :

"We shall then grow up rapidly a good, steady and mature trade between the Provinces, rendering us independent of foreign trade, and not, as New Brunswick and Nova Scotia formerly did, look to the United States or to England for trade, but look to Ontario and Quebec."

He was prepared then, for the sake of the Canadian people, if necessary, to shut out the whole trade of England, and I presume he felt that he was doing his duty. The doctrine he laid down then bore fruit, because he was followed shortly after in the debate by a supporter of his, the Hon. Mr. Masson, who gave his view of what the duty of Canadians was under such circumstances. He said :

"He might tell the hon. gentleman that the Conservatives of Lower Canada were as loyal to England as they always had been, but he would add the words of Lafontaine: 'Mais avant tout soyons Canadiens'—['But before all let us be Canadians.'] This was Lafontaine's doctrine, and they followed it. The Imperial Government in its relations and connections with the colonies had never been exempt from those rather selfish motives, if such motives could be so called, by which the mother country wished to aggrandise herself at the expense of the colonies; the whole colonial system was based upon this principle, that the mother country took these colonies so as to have from them raw material for her own manufactures. That was the object of every central government in every country in the world with respect to their colonies, and if England claimed a right at times to be selfish in its desires with regard to this colony, they would not go so far in that course, but defend the rights of Canada. The Imperial Government having given us the right of self-government had also conferred upon us the right to regulate our fiscal duties as we wished. The Conservatives of Lower Canada did not wish to act against the interests of England, but they had the right, if they wished, to regulate the duties, irrespective of England, if it were Canada's interest to do so."

I am not aware that the hon. gentleman who used these words lost standing with the Conservative party by reason of them. On the contrary, I believe he was duly rewarded at a later period with high honours at the hands of the Administration. I am not aware that the First Minister either has suffered by reason of his assertion that he believed in Canada for the Canadians against England, even if it injured British connection. I do not believe Her Majesty entertained any ill-will towards him on that account, because a few months afterwards he was decorated. Therefore utterances of that kind do not appear to be regarded as disloyal by Her Majesty herself. Again, the doctrine that Canada's interest must be considered first was echoed by another hon. gentleman supporting the Government, the present member for Richmond and Wolfe, who, in the course of his speech, on the 26th March, 1879, said :

"There was nothing we could do which would be more likely to bring about a renewal of reciprocity, than taking a stand upon a tariff which might be carried out in the interests of the Canadian people."

Another supporter of the Government, Mr. Houde, laid down this proposition :

"Let every Government legislate the best in the interest of its own people and for the welfare of its own people. That was the surest way of promoting human progress or general prosperity."

The then member for Centre Wellington, Dr. Orton, expressed himself as follows :—

"He had always thought the inauguration of a National Policy in Canada should be merely a means to an end, and that end the obtaining of favourable commercial relations with other countries. He hoped in a short time we would be in a position to compete favourably even with our more formidable neighbour across the border, and they would see it to their interests to give us fair trade relations and open up their ports to us in return for our admitting their products on favourable terms."

This National Policy he regarded as a means to an end, the goal aimed at being what we are seeking for to-day. Another supporter of the Administration, Mr. J. S. Ross, of Dundas, expressed himself as follows :—

"If England chose to open her markets to all peoples and treat us no better than others we had to do the best we could for ourselves, consequently Canada must adopt such a fiscal policy as commended itself to their own judgment and which was in the interests of their own people. Unless they did this they must fail to accomplish what was expected of them as a free and progressive people."

I understand that that hon. gentleman, after expressing this view, received a position of emolument from the Conservative Administration. Then, I am obliged to refer to the utterances on that occasion of the present Speaker, who was prepared to advance the interests of Canada even against those of England. He is reported in *Hansard* as having used these words :

"It had been stated in a threatening way that England would not approve of a tariff that seemed contrary to her interests, but where was the Englishman that could seriously refuse to Canada the right of legislating in her own interests?"

Further on he says :

"When responsible government had been granted to Canada by the British North America Act, had she not been conceded the right to frame her tariff as she saw fit? Canada had the right of governing herself, and if this right was now refused to her, she would be well able to demand it."

Then, speaking of the vote he was about to cast in favour of the National Policy, which was to lead to reciprocity, he said :

“ It would be a vote given in favour of the constitutional and commercial liberty of Canada. It would be a vote that would assert the existence of Canada as a nation distinct not only from England, but the United States,

Hon. gentlemen, I have no doubt, are quite familiar with the memorandum directed by Sir Alexander Galt, then Mr. Galt, to the Secretary of State for the Colonies, setting forth what ought to be the true attitude of Canada in regard to its fiscal affairs. I could, if time permitted, give numerous extracts from speeches of hon. gentlemen opposite, all taking the ground that in matters of trade the Parliament of Canada had first to consider the interests of the people of Canada. I say that not only do the people of Canada demand that position from us, but the sentiment of England is in harmony with the sentiments I have quoted. The hon. gentleman who formerly represented the constituency which I have the honour to represent, a keen observer—I refer to Dr. Strange—spoke in this House on this question. He is an Englishman, and an able and talented gentleman. He expressed himself on this question in a way, I think, that did not meet with the disapproval of his constituents in North York. On the contrary, I believe that many of his old supporters again desire him to represent their riding. They bore no malice to him for having uttered on the floor of Parliament the words which I am about to quote, taken from *Hansard*, 21st March, 1879. He addresses this House as an Englishman. He was a Canadian by adoption, but an Englishman in spirit. As far as he was able to ascertain the spirit of the English people, they were anxious and willing that Canadian interests should be first considered by the Canadian people. He spoke as follows :—

“ He addressed this House as an Englishman. He was a Canadian by adoption, but an Englishman in spirit. As far as he was able to ascertain the spirit of the English people, they were anxious and willing to see this vast colony of which they were justly proud succeed even if we had in our own interests to put a stop to purchasing our goods from England. No English Government would venture to prevent the adoption of this tariff on the ground of its injuring England. The English people, without exception, took great interest in our success, and with the exception of a few manufacturers would bid us God-speed on the royal road to wealth.”

That is the sentiment of an Englishman expressing what he conceived to be the opinion of England with regard to the

affairs of Canada. What did the Right Hon. John Bright recently tell us at a banquet given to Mr. Chamberlain? I do not endorse all that Mr. Bright said that night, but I wish to show that he took strong ground in favour of Canada being entitled to arrange her own tariff as she pleased, and to conduct her own affairs in her own interest without regard to the commerce of the mother country. He went on to express a sentiment I do not endorse, but hon. gentlemen opposite can hardly repudiate John Bright as a true friend of the Empire at present, in view of the attitude which he has taken on certain political questions in England, which attitude, no doubt, commends itself to the favour of the Conservative party both in England and Canada. We have a very distinguished Englishman in Canada, Mr. Goldwin Smith, whose name has been referred to in this assembly during this debate, and not in the most courteous manner. The time was when what he said was accepted with favour by the Conservative party. He is a loyal citizen to England. I am sure hon. gentlemen opposite cannot controvert that. We all know his record, we all know the part he thought it his duty to take to preserve the Empire some few months ago, and we know that he to-day is a loyal British subject, anxious to see the welfare of England promoted. Do they denounce him as a traitor to England?

I give as another reason why we are not obliged, in making trade relations with the United States, to consider first the interests of England, the fact that England does not act in this way with regard to the colonies. There are trade treaties between England and other great nations, giving benefits to England from which the colonies are excluded. There are now treaties between England and China, and Japan, and Siam, and France, and Spain, and the Netherlands, and the United States, which are not applicable to the colonies. If England, in the exercise of her constitutional rights, considering the highest interests of her people, arranges, as I conceive she has the right to do, her own Customs treaties for her own benefit and not for that of the people of Canada, a corresponding right exists with us. Does not the Confederation Act, under which we are here to-night, say that the constitution of the people of Canada shall be the same in principle as the constitution of the people of England? Our constitution is based on the principles of the English constitution, and unless the loyal gentlemen opposite

can prove that England is not loyal to us in her conduct with regard to commercial treaties, they cannot say that Canada would be acting disloyally if, first of all, we consider our own interests in any particular trade relations we may enter into. We have further evidence to prove this contention. There is uncontrovertible evidence, having the sanction of the British Parliament, that the duty of Canada is to arrange her trade treaties in her own interests and without considering the interests of England. How will I prove that proposition? When the right hon. the First Minister, who is smiling now, caused the Customs Act of 1879 to be introduced, it was, before it became law, communicated to the Imperial Government. It was a tariff considered highly detrimental to the interests of the English manufacturers, who rose up in arms against it, protesting that Canada was raising a tariff to exclude English goods, and was not, therefore, loyal to England. They asked therefore, that the Act be disallowed by the Imperial authorities. John Bright brought the matter before Parliament on the 20th of March, 1879, and put this question to the Colonial Secretary on the floor of the House:

"In case of any proposal to enact differential duties on the part of Canada, would the Bill be submitted to the Government before it was adopted?"

Sir Michael Hicks-Beach, then Secretary for the Colonies, replies:

"The best answer I can give to it is to read the telegram I sent to Canada, which received the sanction of the Government. It was in these terms:

"They deemed the fiscal policy of Canada rested, subject to treaty obligations, with the Dominion Parliament."

The Dominion Parliament was recognized on the floor of the Imperial Parliament as being entitled to impose differential duties if necessary, without it being considered right or proper or constitutional for the Government of England to disallow that Act. What further evidence is there? Hon. gentlemen all know that every colonial governor, when entering upon the duties of his office, receives certain instructions. The time was when all the instructions to colonial governors of all English colonies contained the instruction forbidding the governor to sanction the imposition of differential duties, and that instruction is still to be found in the instructions to every colonial

governor with the exception of the Governor-General of Canada. In 1878, for the first time, that instruction was eliminated from the instructions given to the Governor-General of Canada. Thus you see that the Crown recognized the fact that Canada, occupying a peculiar geographical position on the earth, cannot have her trade affairs regulated in the same way as other colonies of Great Britain, which are more or less insular or peculiarly situated ; so the Government of England recognized fully that Canada, by reason of her importance, by reason of her position, and by reason of her constitution, cannot be trammelled and ought not to be trammelled in the interests of the people of Canada, or for that matter in the interests of the Empire, even if, for her own sake, she should impose differential duties. On that point, I cannot offer to the House, I think, any better evidence of the feeling of the people of Great Britain at the present time than an extract from the work of the late Mr. Todd, who was a keen observer of current events, on "Parliamentary Government in the British Colonies." At page 181, he summarises the position of Canada in regard to her trade rights, in these words :

"But, on account of the growing importance of Canada, as well before as since Confederation, exceptional privileges have been conceded to her, from time to time, in respect to fiscal and commercial matters wherein the interests of Canada were concerned, with freedom to adopt whatever policy might be approved by the Local Legislature, irrespective of the opinions or policy of the Imperial Parliament."

Such is the inference drawn by Mr. Todd from the current opinion and the authorities in Great Britain. I think I have established that the hon. gentlemen opposite at one time took a different view of this question ; I think I have established that England does not wish Canada to injure herself even in the interests of the mother country, and though hon. gentlemen opposite have been practically asserting that English regard for Canada simply depends upon the extent of Canadian accounts in British ledgers, I do not think that our people will be so childish as to consider the business interests of people across the Atlantic to the prejudice of their own domestic interests. There is a good reason why England desires us to be on friendly terms with the United States. The United States are the largest customers of Great Britain. More than one-third, nearly a half, of the volume of trade of Great Britain is with the

United States. Last year, the volume of trade between Great Britain and the United States amounted to between \$500,000,000 and \$600,000,000, and England desires that we should be on good terms with the United States, so that there may be no disturbance of her interests in that connection. If it is placed upon that ground, we are promoting the best interests of the people of Great Britain by maintaining friendly intercourse with the United States, so that there may be no interference with the flow of trade between those countries. I shall not delay the House longer on this subject. We are loyal to the people of Canada if we vote on this question with a view to their benefit, on a proposition which is calculated to find a natural market for our products, to stimulate the manufactures of this country, to encourage labour and to make Canada attractive to the population and to the wealth of older lands, that will be a trade policy that will operate equitably throughout the whole length and breadth of the Dominion, that will enable us to solidify this Dominion, and to extend and carry out the very principle which established this Dominion, the extension of our trade markets. As inter-provincial trade was held but as an inducement to the Provinces to come together and form a confederacy and thereby to have the domestic trade of four millions of people, that principle must be equally good if you give them the trade of sixty millions of people. Therefore, if it was right to bind us together by the scheme of Confederation for the purpose of establishing inter-provincial trade—and I believe it was—it is still better to extend this principle and to obtain ultimately entire free trade throughout this great American continent. Therefore, I have great pleasure in recording my vote and giving my voice in favour of this principle, believing as I do that it will be to the advantage of Canada and will place our relations with England on a sure and firm foundation, and that we will be bound to England by a feeling of love and regard, not by a feeling that we have to pay for, not one wrung from the people by a system of indirect taxation, but by a harmonious union between colony and empire free from all disturbing causes.

THE EFFECT OF RECIPROCITY WITH THE UNITED STATES ON THE LUMBER TRADE.

BY MR. A. H. CAMPBELL, TORONTO.

At the ordinary fortnightly meeting held last night (Feb. 8th) of the Commercial Union Club of Toronto, Professor Goldwin Smith presiding, the subject of "the effect of Reciprocity on the Lumber Trade of Canada" was discussed. Much interest was given to the proceedings owing to the presence of a large number of lumbermen, who were in the city attending the annual meeting of the Ontario Lumbermen's Association, some of whom took part in the interesting discussion.

Mr. A. H. Campbell was the first speaker. In introducing Mr. Campbell to the meeting the Chairman said he observed a number of gentlemen present from outside Toronto who were not members of the club. He would take the opportunity of assuring them that, notwithstanding what they might see in party journals to the contrary, this was no party movement. The club addressed itself to what it believed to be for the interests of the whole community. Its members belonged to both political parties: Mr. Campbell, who was to address them, was a Conservative.

Mr. Campbell then spoke. He said that when the present agitation for unrestricted reciprocity with the United States commenced, the benefits which would accrue to the lumber trade were so great and so manifest, that he feared his judgment might be warped by selfish considerations, and that what might be good for him personally might be detrimental to the interests of the country at large. A fuller consideration of the circumstances and of the various interests and industries which would be affected convinced him, however, that all the important interests, including farming, mining, stock-raising, with the fishing and carrying trade of Canada, would equally share in the benefits of a free market with a people having a population of sixty millions, and consequently that this movement, he felt, was in the general interests of the whole country.

Amongst the most important of our industries was that of lumber. From the lofty tree growing in the distant forest to the finished board manufactured for the varied uses of commerce, it employed the labour of a large number of men and horses, and provided the means of living to many families in the country. He had not the statistics for the export trade from Canada to the United States for 1887, but in 1885 it valued \$9,355,736; in 1886, \$8,545,506, and taking the value for 1887 to be not less than that for 1886, they would have a sum of money far exceeding \$26,000,000 in three years. Of that sum about \$5,289,308 was paid into the United States treasury in duties, and very nearly the whole of that money would be saved to this country had there been unrestricted reciprocity. Another way in which lumbermen would benefit by Commercial Union was that they could export dressed instead of rough lumber, and by the difference in weight reduce the freight. When the reciprocity treaty existed they had good trade with the States. The year 1866 was perhaps the most prosperous year lumbermen ever experienced in Canada. Since the abrogation of the reciprocity treaty he paid over \$350,000 for duty on exported lumber, and he was not a very large operator. The great want in this country now was a market. What made the National Policy a national failure was the want of a market. Under the National Policy instead of chimney stacks marking the country the mills were reducing labour or wages. High protection ever meant over-production, and over-production meant failures, ruin and distress. Commercial Union, or, as he preferred to call it, reciprocity, meant the opening of a market for our products. "Canada for the Canadians" was a great cry at one time, but it seemed to him to have ended as they might have expected, viz., Canadians were living upon each other. Why did England colonize but to find a market. Why were France, Germany, etc., so anxious to get colonies but in order to have an outlet for their goods. Commercial Union would give them the large market which they needed. Not only would lumbermen be benefited; the good effect would reach almost all classes of manufacturers and the farmers. American capital would flow into the country and the country would prosper. What made Maine such a large manufacturing country but that they had a market of 60,000,000 people. He believed our manufacturers were as good business men and more economical than those on the other side

of the boundary line. Speaking generally, he was of opinion that about 800,000,000 feet of lumber were cut in Ontario yearly, and only one-third of that quantity was used in Canada.

Mr. Gordon Waldron asked whether a larger market and the investment of more capital would not have the effect of depleting our forests too rapidly?

Mr. Campbell, in reply, said the greater the demand the more valuable would lumber become, and consequently the greater would be the care to preserve it from fires and destruction. The cry that the country would be denuded of timber was a fallacy. Young trees were always growing, and thinning the forests would facilitate the growth of trees.

Mr. James Pearson pointed out that the increase in the value of lumber, consequent on Commercial Union, would increase the selling value of the limits, and thereby increase the public revenue derived from sales of timber limits.

Mr. Geo. Kerr, Jr., suggested that the Government should begin at once to plant large areas of land with young trees.

Mr. Thomas Conlon, of Welland, said the inland marine was for the past few years fast disappearing from the lakes. This was a very serious matter, and one reason for it was found in the fact that vessels trading with American ports had often to return without a cargo. Boats took lumber from the Georgian Bay to Chicago, and because of the interpretation put on the American coasting laws they could not load with wheat from Chicago to Boston *via* Collingwood because both Chicago and Boston were American ports. Canadian vessels were not allowed to trade between American ports. There were minerals, copper, granite and marble, which would be developed. Commercial Union was of vital importance to the marine interests as well as to the lumbering interests.

Capt. Wm. Hall, a large vessel-owner, and one of the Vice-Presidents of the Commercial Union Club, endorsed what had fallen from the previous speaker, and gave an interesting account of his own experience and observations in connection with the inland marine trade of Canada. He keenly regretted the circumstances which had long depressed the shipping trade of the country and the disabilities under which owners of vessels engaged in the coasting trade found themselves in consequence of the restrictionist policy pursued by the government. He closed by warmly endorsing the Commercial Union movement and predicting its ultimate triumph.—(*Mail Report.*)

SOME ASPECTS OF THE COMMERCIAL UNION QUESTION.

BY EDWARD FARRER,

Editor "The Toronto Mail."

[The following articles are from THE TORONTO MAIL, and bear on some important points of the Commercial Union question as they arose in the progress of the controversy.]

I.

OUR NATURAL MARKET.

In a speech delivered at Buffalo the other day, Mr. Hurd, of Ohio, a distinguished advocate of commercial freedom, stated that whereas ten years ago the annual value of the trade between the United States and the Sandwich Islands was only \$800,000, it is now, thanks to a reciprocity treaty, \$14,000,000. The islanders, though not far removed from a state of barbarism, have prospered; and it is needless to say the treaty has benefited the United States.

Free trade between Canada and the United States would undoubtedly produce similar results. At present nearly half our foreign trade is done with our neighbours. The figures for last year stand as follows: Canadian trade with Britain \$89,000,000; Canadian trade with the United States \$82,000,000; and this despite the fact that Britain admits our products free, while there is a double row of Custom houses between us and the American market. It is probably safe to say that our trade with the States is in reality larger than our trade with Britain. A considerable quantity of goods is smuggled into Canada from the States, and in exporting their products thither Canadian shippers almost invariably understate the value. On the other hand, there is no illicit trade with Britain, nor is there any object to be served by undervaluation, since she does not levy

duties upon our exports. The trade returns during the period of the Elgin Treaty show that Canadian trade with the States quadrupled in twelve years. Yet since 1866, the population of the States has doubled, and we have incorporated a vast expanse of new territory, and sunk an enormous sum in attempting to develop it. Even with the American tariff against us, the American market is our best market for barley, sheep, poultry and eggs, vegetables, hides, coal, salt, fish, gypsum, stone and marble, wool, hay, peas, potatoes, flax and lumber; that is to say, we send the bulk of our exports of those articles to that market, although they have to pay a toll equivalent to 42 per cent. *ad valorem* all round. Imperial Federationists must admit that, even if the British people, carrying the altruistic principle to an unheard of length, should determine for our sake to tax their food and other raw materials, thereby diminishing by just so much their ability to manufacture cheap goods, we should be in no better position to develop our natural resources than we are now. India and Burmah could beat us in wheat, Australia in wool, while it would be like sending owls to Athens for us to ship coal, iron ore or salt to England. Nature has made Canada part and parcel of the American continent, and, as the facts just cited conclusively show, our true market lies on this side of the ocean.

Many well-informed persons are of opinion that the American market is destined to become more and more essential to us. In these older provinces wheat is no longer the staple crop. Our farmers cannot grow it as cheaply as the prairie farmers can, still less can they compete in price with the wheat from semi-tropical regions in Asia and South America. The dairy and cattle interest is therefore becoming the mainstay of the Ontario farmer, but the question is how long he is to be permitted to secure remunerative prices in the British market. For the English farmer is also being driven out of wheat-raising into dairying. Creamery associations and cheese factories have been established; a Margarine bill has been adopted to prevent the sale of imitation butter as butter; and, as a writer in the *Quarterly Review* says, English pastures and English cows are as good as those of any country in the world, and food-stuffs are cheaper than in any protectionist country. A general levelling-up of the quality of butter is reported, even in Ireland; while, far larger quantities are produced and the industry promises to

attain immense proportions. The improvement in English cheese-making is less marked. In Scotland Canadian experts are employed to teach the farmers the Canadian system. The revolution in the production of wheat has likewise stirred up the farmers of Germany, Holland, Denmark, Sweden, Switzerland and Belgium, who are devoting great attention to the scientific manufacture of butter and cheese. The State has taken the matter in hand in most of those countries. Thus, Sweden, besides establishing Government dairy schools, has appointed a dairy instructor in every county, who is constantly travelling about to instruct farmers and their servants in all that pertains to the industry. It is tolerably clear, therefore, that the Canadian farmer is not to have everything his own way in the British market, as regards the supply of dairy products. The exportation of cattle to England has not been profitable for some time past. In fact, last year of 116,000 cattle and 443,000 sheep exported from Canada, we sent 363,000 sheep and 45,000 cattle to the United States. English authorities believe that the Argentine Republic will shortly become the main source of the cattle supply. The Government of that country pays liberal bounties on exportation of live cattle and meat—the bounty in the case of live cattle is three dollars per head—and the natural conditions existing there are extremely favourable to the successful prosecution of the industry, although last year the herds suffered from drought.

Such, in brief compass, is the case of those who believe that the American market is to be our principal market in the near future; and, considering that, even with two tariff walls between us, our trade with them is only nine per cent. less than our trade with the Mother Country, the anticipation promises to be fulfilled to the letter. Since 1878, our trade with Britain has been diminishing, while our trade with the Americans has been almost as rapidly increasing. The ill-success of the devices employed by our Government and by that of the United States to ban commercial intercourse between neighbouring peoples only serves to mark the folly and impotence of man when he essays to reconstruct the natural order of things.

II.

UNRESTRICTED TRADE.

A Guelph correspondent writes : " If unrestricted trade be such a good thing, how does it happen that Ontario has made greater progress in regard to population than any State in the Union ? We have not had as large an area of unrestricted trade as they have had, yet we have beaten them." Our correspondent is mistaken respecting the relative growth of population. In 1791, Upper Canada had a population of 65,000 ; in 1821, a population of 123,000 ; in 1830, a population of 210,000, and so on ; the population in 1881, when the last Census was taken, having been 1,900,000. Several States have grown more rapidly. For instance, Illinois, which had a population of 55,000 in 1820, had a population of 3,100,000 in 1880. In 1810 Indiana had a population of 24,500, while in 1880, the population was 1,980,000. Iowa had only 43,000 inhabitants in 1840, while in 1880 it had 1,600,000. Kansas had only 107,000 in 1860. In 1880 it had a million. Missouri had a population of 66,000 in 1820. In 1880 the population numbered 2,160,000. Ohio had a population of 45,000 in 1800, and one of 3,200,000 in 1880. Minnesota has made remarkable progress. In 1850 there were only 6,000 persons there, while by 1880 the population had risen to 780,000, and in 1887 it was estimated at 1,130,000. Texas had 212,000 inhabitants in 1850 ; in 1880, 1,600,000 ; in 1887, 2,040,000 (estimated). Wisconsin, California, Mississippi and other States have also done well. We have no data at hand for instituting a comparison as regards wealth. But here is a striking fact, brought out by Mr. WILMAN in his speech before the Montreal Board of Trade the other day—that in 1860 the wealth of the United States was estimated at sixteen thousand millions, of which the war destroyed nearly one-half ; nevertheless, in 1887, the wealth amounted to sixty thousand millions. Had any of the States above named been cut off from the rest by a tariff wall, it is safe to say they would have suffered from such isolation. If our correspondent really believes that the way to produce wealth and promote settlement is to restrict trade, we are sorry for him.

III.

FALLACIES.

Almost all the speakers on the restrictionist side in the discussion now going on in Parliament, have assumed that restriction is "loyal," and hence that unrestricted trade would be the reverse. They keep out of sight the fact that the N. P. and the iron duties were both adopted in spite of earnest protests from British manufacturers and workmen; that as a direct consequence of that policy British trade with Canada is declining, whilst American trade with us is rapidly growing; and that the duties we levy fall more heavily upon British than upon American goods. Thus, while we have imported since 1882 American goods of the value of \$244,000,000, as against British goods of the value of only \$222,000,000, the aggregate amount collected in the form of customs duties has been \$36,300,000 from the American and \$42,650,000 from the British goods.

The restrictionist speakers further take it for granted that they are authorized to speak for Canadian industry. But, as a matter of fact, many of the principal manufacturers and employers of labour favour unrestricted trade with our neighbours and complain that the existing fiscal system is injurious to them. Amongst these may be named Messrs. WATEROUS, PLEWES and WISNER, of Brantford; RAYMOND and ARMSTRONG, of Guelph; TODD, TURNBULL and HAY, of Galt; NORRIS, R. H. SMITH, MCSLOY, YATES, MITCHELL and TOWERS, of St. Catharines; HOPE, COPP, BECKETT and CARLTON, of Hamilton; CAMPBELL and LEONARD, of London; COLEMAN, of Seaforth; RANSFORD, of Clinton; CLARE, of Preston; BROWN and ERB, NELSON and FORSYTH, WILLIAMS and GREENE, of Berlin; MASSEY, of Toronto; MCMULLEN, of Picton; FOLGER, MUCKLESTONE, HARTY and BRECK, of Kingston; COSITT and MANN, of Brockville; COWAN and SKINNER, of Gananoque; HASLETT, of Peterboro', and many others. The farmers, the lumbermen, the fishermen, the miners and the vessel owners count for something, yet the restrictionists treat them as though they had no right to a voice in the determination of our fiscal policy.

Both these bold assumptions were placed in the forefront yesterday by Mr. McNEILL, who in addition, declared that Commercial Union would "degrade" us. Mr. McNEILL does not perceive that our present condition might fairly be described as a degraded one. We are poor, but with vast natural wealth lying useless at our feet for want of a market. We are a young community, yet, in proportion to population, the immigration from our shores is as large every year as that from any Old World country where overcrowding, militarism and other acute evils press upon the people and drive them forth. Lastly, under the existing fiscal system, we are taught to prefer the interests of the few to the welfare of the many ; and led to believe that we are so wholly lacking in intelligence and self-reliance as to be unfit to meet the Americans in the field of industrial and commercial enterprise.

IV.

CANADIAN INDUSTRY.

The assertion so frequently made by the Restrictionist press that free trade with the States would be "a blow at Canadian industry" pre-supposes that every industry in the country dreads American competition, and could not live without the shelter provided by a high tariff. This assumption is, of course, wholly unwarranted. Manufacturers like Waterous, Raymond, Norris, Armstrong, Massey and others of the first rank, declare that American competition has no terrors for them ; on the contrary, they would hail free trade with the Americans as affording them a vastly larger market for their output and relief from the taxes imposed for the purpose of bolstering up the mere exotics. The varied forms of labour by which our natural resources are transformed into actual or potential wealth, *e.g.*, agriculture, lumbering, fishing and mining, occupy a similar position. The high tariff is a positive injury to them, inasmuch as it increases the cost of production and restricts their freedom of exchange. It will be found, in short, that the industries which desire free trade with our neighbours are those which contribute far beyond all the rest to the creation of national wealth. The best measure of the usefulness of an industry to

the community is supplied by the export tables rather than by the bald statistics of home production ; for the simple reason that the latter in many cases represent goods which have been manufactured at a loss either to producer or consumer, whereas, speaking roughly, every dollar's worth we sell to the foreigner brings us a greater or less amount of profit. The following table gives the exports of the different industries last year and in 1878, as classified in the Trade and Navigation returns, and shows conclusively which class is making the most money for us as a people :

	1878.	1887.
Mines.....	\$3,644,000	\$ 3,805,000
Fisheries.....	5,874,000	6,875,000
Forest.....	23,010,000	20,484,000
Animals and products.....	14,220,000	24,246,000
Agriculture.....	14,689,000	18,826,000
<hr/>		
Natural products.....	\$61,437,000	\$74,236,000
Manufactures.	\$ 4,105,000	\$ 3,079,000

It will be seen that the exports of the natural industries, which are all more or less injured by the high tariff, were fifteen times greater in 1878, and twenty-five times greater in 1887, than the exports of the manufacturing industries, for whose benefit the tariff was contrived. And if we could ascertain the exports of those manufacturing industries which are injured by the restrictive policy instead of being benefited by it, the case against restriction might be made still stronger. It will also be observed that while the exports of natural products have increased 21 per cent. since 1878, there has been a decline of about 25 per cent. in the exports of manufactures. It may be said that this decrease is due to the circumstance that Canadian manufacturers are now supplying the home market and have therefore less to send abroad. The figures do not give much countenance to that theory. We imported of dutiable goods \$60,916,000 worth in 1878, and \$78,120,000 worth in 1887. Imports are not classified in the same manner as exports, but it appears that nearly all these goods were manufactured goods, with the exception of tea and sugar. By the way, the quantity of tea imported was less in 1887 than in 1878, while the quantity of dutiable sugar was about the same. Admitting for the sake of argument, however, that our exports of manu-

factured goods are falling off because the home manufacturer has secured a greater control of the home market, *i.e.*, has more effectually restricted the liberty of the consumer, the fact remains that this control is directly prejudicial alike to the consumer and to the natural industries. But the only point we seek to make just now is that, judged by the best test, the small protected industries have no sort of right to speak for Canadian industry at large, or to assert that free trade with the States would be a blow to it, merely because they themselves would suffer.

V.

OUR MINERAL RESOURCES.

Sir Charles Tupper told us when he was imposing the iron duties that within three years an industry affording employment to twenty-five thousand men would be created. So far, however, not a single ton of iron ore has been smelted in consequence of the protection afforded by those taxes. The cost of iron, and of everything into which iron enters, has been exalted to the Canadian consumer and manufacturer, but that is all. In working out his equation, Sir Charles forgot to take into account the smallness of the home market and the impossibility of sending Canadian iron, in the ore or in the metal, to foreign countries. We cannot get it into the States because of the American duty, and we cannot ship it anywhere else on account of British competition.

A committee, with Mr. Hamilton Merritt as chairman, of the Geological and Mining section of the Canadian Institute, has prepared an instructive report on our mineral exports. It is now well known that the Dominion contains rich deposits of iron, copper, silver, coal, salt, etc. Yet of all British colonies, we are the most backward in the export of minerals. Comparing ourselves with the United States, the total value of mineral production in Canada in 1886 was \$11,500,000, whilst the total value across the line was \$459,000,000. The committee adds that it is "emphatically of the opinion that this great disproportion does not exist in the mineral resources of the two countries." Then what is the cause of it? The re-

port does not furnish a direct answer, but it is obvious that the compilers had in mind the fact that we have no market for a large output, and that the only market we can hope for is that of the United States. Great Britain, which imports largely of ores and metallurgical products, is not likely to cut off her supply from abroad by means of a tax, and give us the benefit of a preferential tariff. The natural market for our iron, salt and coal as well as for our lumber and fish is not Europe but our own continent, from which we are divorced by the existing policy. With regard to salt, the whole story has been told in these columns by Mr. Ransford, of Clinton, and Mr. Coleman, of Seaforth. The salt found in Bruce and Huron is a remarkably pure article, and would command a ready sale in the States if unrestricted trade prevailed. As it is, our salt has to pay a heavy toll on entering the American market, whilst here at home it is exposed to the competition of English salt, manufactured under free trade conditions and carried across the Atlantic as ballast. If the N.P. were a logical and coherent structure, British salt would be subjected to a duty, or else the Canadian salt maker would be relieved of the protective charges on his coal, iron, leather belting and other things used in production. The Government, it appears, is desirous of taxing British salt with a view of "building up" the home industry, but political exigencies in the shape of the vote and influence of the fisherman in the Eastern Provinces prevent Sir Charles from doing so. The net result is that our salt interests are being suffocated. In 1886, \$23,000 worth of salt was sent to the States, and in 1887 only \$9,400 worth. An Eastern paper suggests that "men like Mr. Ransford should go in for Imperial Federation with a differential duty in favour of Canadian products." But, even if England were to descend to the folly of injuring her own people for the sake of benefiting us, Canadian salt would not derive any advantage from it. To ship Huron salt to Cheshire would be to carry owls to Athens. As regards coal, it is not denied by the restrictionists that New England is the true market for the production of Nova Scotia and the Pacific States for that of British Columbia, just as Pennsylvania was evidently designed to be the source of supply for Central Canada. They admit, in fact, that the coal duties, Canadian and American, are a violation of the dictates of nature and common sense. Under unrestricted trade, the

manufacturers of Ontario would obtain cheaper fuel, and the development of our coal deposits would enrich Nova Scotia and British Columbia beyond measure. In no other conceivable way can those deposits be worked to anything like their full capacity.

The case of Canadian iron tells with equal force against the policy of commercial isolation. In this province there are rich beds of ore in Madoc, Marmora, Belmont and Seymour, and also in the region between Lake Superior and the Manitoba and Keewatin boundary. The admirable work on our natural resources prepared for the Colonial Exhibition says great masses of iron ore exist on the coast of British Columbia, "lying in close proximity to beds of marble or lime-stone and to the coal fields of Nanaimo." In Nova Scotia also the iron lies close to the coal. Nevertheless, as the authority just referred to observes, "for a country having 11,000 miles of railway, with a weight of over a million tons of rails, and possessing for the manufacture of iron natural advantages which few if any places in the world surpass, the development of Canada's iron industry is wonderfully slow." In reality there is nothing wonderful about it. Capital will not take the risk of erecting blast furnaces and other costly plant for the supply of so limited a market. Under unrestricted trade, our wealth of iron would be utilized to its full extent. The geographical position of fuel and ore in the United States is far less convenient than in Canada. Ore from the Lake Superior mines furnishes one-third of the entire weight of pig iron made in the States. Those deposits are several hundred miles distant from the coal of Pennsylvania, and the expense of bringing the two minerals together forms a very considerable item in the general cost of production. Nevertheless, the vast area of the American market, with its sixty million consumers, enables capital to embark successfully in iron production. If the customs barriers were removed it is reasonable to suppose that American and Canadian capital together would develop the Canadian deposits, where all the conditions of cheap production co-exist. It is clear that the mere imposition of duties will avail us nothing. A market for the output is essential to production on a large scale; and the American market is the only one to which we can look.

It is scarcely necessary to add that, until we are able to make use of our natural resources, we must be content not only to see them lie dormant and valueless, but to find the labour which under free trade with our neighbours would be utilized in their development, going elsewhere in search of employment. In other words, so long as we remain isolated from the continent to which geographically and economically we belong, so long shall we be debarred from profiting by nature's kindness to us, and so long also shall we be compelled to contribute Canadian men and women to the growth of the United States.

VI.

A CRY FROM THE WEST.

Hitherto the people of British Columbia have been content to bear in silence the manifold inconveniences imposed upon them by our trade policy. The expenditure of ten or twelve millions on the construction of the Canadian Pacific in that province, with the large outlays of the Local Government, has doubtless helped to keep them quiet. But the Canadian Pacific has now been completed, the provincial treasury is empty, and there is no immediate prospect of any fresh distribution of funds. The anæsthetic having spent itself, the patient is once more becoming alive to his ailments. The case against restriction is briefly this : It compels the British Columbia settler to buy his goods in the markets of Eastern Canada, three thousand miles distant, and to bring them in by a monopoly railroad, which, traversing a thinly peopled region, charges heavy rates ; whereas under unrestricted trade he could frequent the neighbouring American markets, to which he has access by sea. Further, the articles which he exports, *e. g.*, lumber, coal and fish, cannot be sold to advantage in Eastern Canada. We buy a few carloads of canned salmon from him, but that is all. The natural market for his exports is California and Oregon, but before he can dispose of them there he has to pay a heavy duty. So that, first, the settler has to sell in one market and buy in another, thus losing the benefits of exchange ; secondly, the price of what he has to sell is diminished by the amount of the

American tariff ; while, lastly, the price of what he has to buy is enhanced by our tariff and by the enormous cost of transportation from Ontario and Quebec. The *Columbian*, of New Westminster, in its issue of the 28th Feb., states the matter thus, with special reference to the coal trade :

" Our best market for coal is in San Francisco. Last year our coal mines produced 413,260 tons, of which no less than 324,949 were exported to San Francisco and other California ports. This export trade is met by a duty, and the amount of duty falls upon the owners of the mines. But this is not all. The appliances required in coal mining, and, indeed, in preparing for market any of our natural products, are made dearer by the tariff. It comes to be a fact therefore that the tariff works both ways against the disposal of our natural products. While therefore the tariff was framed for the purpose of protecting Canadian manufactures, our manufactured exports have declined more than one quarter ; and the export of natural products, which the tariff does not protect, has largely increased. The products of British Columbia available for export are coal, lumber and fish. Not one of these is protected by the tariff, and in the production of all of them the tariff imposes burdens which place us at a disadvantage as compared with the people across the boundary."

The old alchemists used sometimes to attribute the failure of their experiments to the charms and incantations of envious rivals. So with us, the Ministerial press accounts for the chorus of complaint ascending from every province in the Dominion by assuming that the people have been misled by the advocates of Commercial Union. This is anything but complimentary to the intelligence of the people ; moreover, it is quite untrue. There is a venerable axiom in the dynamics of human action that general discontent is not the product of misconception or ignorance, but proceeds from some tangible and definitive cause. Like the British Columbia settler, the Nova Scotia fisherman and miner are excluded from their natural market and forced to sell there at a loss equal to the duty and to buy at home at a still further loss. The people of Prince Edward Island and New Brunswick labour under a like disadvantage. In Ontario and Quebec a somewhat similar state of things prevails ; while in Manitoba, as in British Columbia, the evils resulting from the double row of Customs houses along the frontier are aggravated by the presence of railroad monopoly. Under such a system, the proper development of our natural resources is impossible ; hence the exodus which is draining us of the best blood in the country ; hence also the desire for a radical change which finds expression in the complaints just referred to, and in the silent but rapid growth of a feeling in favour of annexation.

Commercial Unionists believe that their remedy would relieve the strain upon Confederation, and that it is the only measure at all competent to do so. The Government, however, is bound to the smaller manufacturers and to the owners of such monopolies as the sugar refineries; and wedded to the policy of bribing each province in turn at the expense of the rest, which has brought us within sight of national bankruptcy. A Ministerial journal tells us that restriction in trade and extravagance in expenditure are actually making us rich, as though a community could grow rich by pursuing a course that would infallibly beggar an individual. The evidence of our growing wealth, we are told, is to be found in the multiplication of factories "which could not exist for a month" under free trade with the States. Happily some progress has been made by Canadians of late in the study of political economy, and most of us are aware that in all cases where, by means of restrictive duties, an industry has been summoned into existence that would otherwise not have existed, capital and labour have simply been diverted into a channel less productive than some others into which they would naturally have flowed. The presence of these exotics and parasites, which, as our interviews with leading manufacturers show, hamper and prey upon the great indigenous industries, proves nothing except that the consumer is suffering and that the ability of the country to buy and sell abroad is being deliberately crippled. It certainly does not afford much consolation to the intelligent Canadian, who hears the muttering and rumbling of some great political upheaval, and knows that no people ever yet escaped the penalties attaching to the violation of natural law.

VII.

THE APPEAL IN BEHALF OF ENGLAND.

The cry that Britain would be injured by unrestricted trade with the States, inasmuch as it would involve discrimination against British goods, comes with shame and mocking from those who, in face of the bitter complaints of British manufacturers and workmen, have clapped well nigh prohibitive duties on their wares. But there is a large class of persons outside the

Manufacturers' Association who are sincere in advancing this objection. To them we venture to submit a few facts and figures, which may perhaps enable them the more readily to seize Sir Richard Cartwright's meaning when he says that unrestricted trade would be of substantial advantage to England.

Under the present tariff our trade with England is rapidly declining, whilst our trade with the States, notwithstanding the high duties they maintain, is growing. This is demonstrated by the official returns of our exports and imports to and from both countries. In 1873 Confederation was completed by the admission of Prince Edward Island. Dividing the fifteen years from 1873 to 1887 inclusive, into three equal periods of five years each, we find that our aggregate trade, our imports and exports combined, with Britain and States has varied considerably, but that during the last five years there has been a well-marked increase in our trade with the States, and a corresponding falling-off in our trade with Britain. Here are the figures :

<i>Quinquennial Period.</i>	<i>Aggregate Trade with Britain.</i>	<i>Aggregate Trade with U. S.</i>
1873-77	\$478,000,000	\$415,000,000
1878-82	424,000,000	377,000,000
1883-87	441,000,000	438,000,000

That is to say, during the first five years our aggregate trade with England exceeded our aggregate trade with the States by \$63,000,000 ; whereas in the last five years our trade with the States has very nearly equalled our trade with England. Trade with the latter has fallen \$36,000,000 since 1873-77, while trade with the former has increased \$23,000,000 since 1873-77, and no less than \$61,000,000 since 1878-82, in spite of the fact that England admits our product free while the Americans tax them about 42 per cent. all round. The import returns are particularly interesting :

<i>Quinquennial Period.</i>	<i>Aggregate Imports from Britain.</i>	<i>Aggregate Imports from U. S.</i>
1873-77	\$272,000,000	249,000 000
1878-82	197,000,000	207,000,000
1883-87	222,000,000	244,000,000

So that our purchases from England during the last five years have been less by just \$50,000,000 than our purchases from her between 1873 and 1877 ; whilst, despite the N. P., our purchases from the States are practically as large as ever they were. Our sales or exports to England and the States have run as follows :

<i>Quinquennial Period.</i>	<i>Aggregate Exports to Britain.</i>	<i>Aggregate Exports to U. S.</i>
1873-77	\$206,000,000.....	\$166,000,000
1878-82	227,000,000.....	170,000,000
1883-87	219,000,000.....	194,000,000

That is, we sold more to England by \$13,000,000 during the last five years than during the five years from 1873 to 1877, but less by \$8,000,000 than during the five years from 1878 to 1882. Our sales to the States, on the contrary, show a steady and uninterrupted growth. With regard to exports, it is necessary to bear in mind that those to England include the articles we send her in payment of the interest on her investments and loans. These payments are constantly growing, for we are constantly borrowing fresh capital from her. But we pay no interest tribute to the Americans ; all our dealings with them, therefore, represent so much actual exchange. It will be seen, then, that the decline in our *bona fide* trade with Britain since 1878-82 has really been greater than is apparent from the figures, inasmuch as with the increase in our indebtedness to her we have been compelled to send her additional exports on interest account. On the other hand, there is good ground for believing that the official figures do not show the full extent of our trade with the States. Everybody who lives on the frontier is aware that cotton goods, wearing apparel, coal oil and other articles are smuggled from the States into Canada. The returns of the "underground route" would largely swell the accredited volume of our purchases from our neighbours. Our sales to them are also greatly understated. When a Canadian ships products to England, where they are admitted free, there is no object in undervaluing them ; but when he sends products into the States, where they are taxed, he often makes it his business to get the better of Uncle Sam if he can. A case in point, and a striking one, is furnished by the trade returns for 1887 in the article of sheep. In that year we sent 68,545 sheep to Eng-

land. The returns give the gross value as \$567,433, or \$8.30 per head. We sent 363,046 sheep to the States, and the returns give the value as \$974,482, or only \$2.40 per head. It is not easy to believe that every sheep we sent to England was worth three and a half of the sheep we sent to the States.

Now, what Sir Richard says, having regard to these facts, is, first, that the N. P. is not the "loyal" contrivance it is reputed to be; secondly, that the States is clearly our natural market; thirdly, that, as a consequence, our trade with our neighbours is bound to increase, more especially if they reduce the tariff, at the cost of our trade with England. In other words, whether unrestricted reciprocity between Canada and the States be established or not, the British exporter is certain to suffer more and more. But, Sir Richard adds, if we were allowed to buy and sell from the Americans without molestation from their custom officers and our own, and if, furthermore, we were put in possession of their illimitable market for our natural wealth, we should be so much the better able to purchase English goods, while the British investor who has \$600,000,000 at stake in Canada, would participate directly in our prosperity: and, last of all, the connection with England would be strengthened by the change for the better in our circumstances. Here, again, we are inclined to think that Sir Richard is more loyal, in the sense of displaying a more intelligent concern for the welfare of the Mother Country, than those who, in order to benefit a few "combines," would perpetuate a system that is injurious alike to Britain and to Canada.

VIII

THE SUGAR TAX.

A correspondent writes to say that at a recent meeting at Smithville, near Grimsby, at which Commercial Union was discussed, one of the speakers in behalf of restriction asserted that the sugar industry in Canada furnished employment, directly or indirectly, to 40,000 persons. It is probably safe to say that, counting men, women and children, our refineries do not support more than 7,500 persons. But, assuming that they support 15,000 persons, or 3,000 families, what then? If

the Smithville speaker who talks of 40,000 will look at the returns he will find that it costs the country a great deal of money to maintain the refineries. On the average every consumer of sugar pays the refiners a tribute of a cent and an eighth per pound, quality being taken into account; but let us say a cent per pound on an average annual consumption of 200,000,000 pounds. This is \$2,000,000 a year. Giving each of the three thousand breadwinners employed in the industry \$500 a year over and above Clyde wages, there still remains a round half million for Mr. Drummond. The Smithville debater was evidently pre-supposing that if the refineries were closed under unrestricted trade the labour they now employ should be lost to the community. But this is highly improbable. Under unrestricted trade we should be able to produce many articles which could be exchanged for foreign sugar at a far less outlay to ourselves than that incurred in manufacturing Canadian sugar under existing conditions. In other words, the labour now employed at the refineries, which is almost altogether unskilled, would find more remunerative work in indigenous industries; while the consumer, through effecting a saving on his sugar, would be in a position to buy a greater quantity of other commodities, *i. e.*, to create a greater demand for labour. The Smithville man may retort that this means that we ought not to manufacture at all. It simply means that we ought not to manufacture articles which we cannot manufacture profitably. Then, he may ask, are we to import everything? The answer to this is that we could not possibly import everything unless foreign nations consented to support us in idleness. We must give value for everything we buy from them, for their sugar for instance; and, this being the case, Canadian capital and labour would not suffer in the least by unrestricted trade. We should merely be turning it to better account. If it ever came to pass that we could make sugar more cheaply than we could procure it by obtaining it in exchange for something else, then we should make it and everybody would be a gainer. At present everybody loses except Mr. Drummond.

Our correspondent ought to be cautious about accepting the random assertions of restrictionists. Even the blue book figures which they sometimes use to clench their arguments are not always ingenuous. Mr. Wade, of Winnipeg, drew attention in these columns the other day to a clear case of hocus-

pocus in connection with the North-west industries. The official compiler had included amongst the exports from that region goods returned to the consignor in the States, together with large quantities of contractors' material, etc., shipped out by the Canadian Pacific; and had included in the number of industries such rudimentary ones as photograph galleries, dress-makers' shops and lime-kilns. The object here was to make Eastern people believe that restriction benefits the North-west, although it is obvious that it injures the settler by exalting the cost of producing wheat, and by preventing him from exchanging his wheat for other articles on the most advantageous terms.

IX.

THE COMBINES.

The House of Representatives at Washington is about to institute an inquiry into trusts and pools. We call them "combines" here. In the debate on the resolution, the Republicans admitted that combines were wholly indefensible. A few extreme protectionists contended that there were monopolies in articles which are not protected; but it was easily shown that the articles named were articles which cannot be imported, and of which nature or circumstances have given a few individuals a monopoly. There is a monopoly, for example, in Congress water, which comes from a certain spring at Saratoga. But that is no sort of justification for a combine in sugar or steel. When a side is driven to the expedient of defending one wrong by citing the existence of another, it stands self-condemned. It is not at all likely that the Dominion Parliament will follow the example of Congress by ordering an investigation into combine methods in Canada. The protected interests, once omnipotent at Washington, are not fighting for very life there, tariff reform being inevitable in the near future. In our case, however, those interests are stronger than the Government. Yet it is obvious that if combines are an evil in the United States they are an evil here. To maintain prices by conspiracy was once an offence punishable by law; and, except in the subsidized press, we have not met anyone bold enough to defend the system.

The argument put forward by the subsidised journals is that the prices of manufactured goods are lower to-day than they were in 1878, before the tariff was established ; hence the N. P. has not increased prices ; *ergo*, the combines do not injure the consumer. This is merely a sophistical jumble. Manufacturers' prices have fallen here, not in consequence of our N.P., but because of the general fall in values all over the world. But if the Canadian prices current to-day are compared with the current prices in other countries, it will be found that the former are higher than they would be if competition, home and foreign, were allowed. In other words, the N. P. and the combines together deprive the Canadian consumer of the full extent of the prevailing cheapness. And this is a great injustice to him inasmuch as the products of our natural industries, i.e., the fruits of his labour and capital as a producer, receive no protection, but, on the contrary, have to be sold in a free market subject to that cheapness. Wheat, for instance, has been steadily declining in value since 1877. The *Economist* of January 14 gives the average price in England per quarter of eight bushels since then as follows :

	S. D.
1877	56.9
1878	46.5
1879	43.10
1880	44.4
1881	45.4
1882	45.1
1883	41.7
1884	35.8
1885	32.10
1886	31.0
1887	32.6

American statistics enable us to see how this remarkable fall has affected the value of the yield per acre on this side of the Atlantic. Thus (Statistical Abstract, U.S., 1886, No. 9) the average value of the yield per acre of wheat throughout the United States in 1877 was \$15.02, whereas in 1885 it was only \$8.05. As the price in 1887 was fully as low as in 1885, we shall be justified in saying that \$8.05 represents the value last year, although allowance should be made for the effects of

the drought. Similarly, according to the same authority, the average value of the oats yield per acre in 1877 was \$9.25, while in 1885 it was only \$7.88. Barley, buckwheat, rye, Indian corn, hay, potatoes, etc., have all suffered in a greater or less degree from the universal depreciation. Beef and dairy produce held up until 1884, when they too succumbed; and cheese has been low since 1879. In short, the agricultural interest in Canada and the States is experiencing to the full the effect of the shrinkage in the value of its own products; but, as has been said, it is not permitted, owing to high tariffs and combines, to receive the whole benefit of the compensation afforded by the fall in manufactured articles; which is surely unfair.

The combine is the old trade monopoly revived and writ large. When Mr. Drummond, of Montreal, and the other refiners in Canada enter into an agreement with one another and with the wholesale and retail grocers to keep up the price of sugar, while the consumer is virtually prohibited by the tariff from importing the foreign article, the public is sweated as effectually as though Parliament had by law given those men the exclusive privilege of making and selling sugar. The system is both an unjust and a short-sighted one, for no community will long tolerate such a state of things. What defence can any N. P. advocate put forward, say, before an audience of farmers? The latter were assured that prices in the home market should be tempered by competition; but the existence of the combines is proof positive that the covenant has been broken. A New Brunswick manufacturer is reported as saying that the farmers voted for the N. P. under the impression that they were about to obtain some sort of a monopoly in breadstuffs; and that they deserve no sympathy now that the tables have been turned upon them. There is a good deal of truth in this cynical statement of the case. Everybody, the farmer included, imagined he was going to get the best of his neighbour; in other words, individual and class selfishness was to some extent the propelling motive at the polls in 1878. The farmer now finds himself in the position of La Fontaine's fish. The fish thought to improve their condition by forming an alliance with the cormorant, who promised to protect them from the man who occasionally netted the pond. But the protection was of a delusive nature, for the cormorant simply lifted them

out of the water, deposited them on the dry land, and then devoured them at his leisure. Admitting that the farmer has brought the combines upon himself by his own deliberate act, it does not at all follow that combines are justifiable, still less that he will continue to support the policy which renders them possible. On the contrary, we are convinced that the combines are discrediting the N. P. in public estimation, just as in the United States the trusts and pools are increasing the strength of the tariff reform movement.

X.

REIGN OF GREED.

In a recent article on the struggle for existence, Professor Huxley speaks of a fine old Scottish family motto which reads, "Thou shalt starve ere I want." This would be a not inappropriate blazon for the handful of men engaged in exotic and therefore highly protected industries in this country. They have succeeded, through their influence with the Government, in transforming the tariff, originally designed to protect the Canadian manufacturer against American "slaughtering," into an engine of far-reaching oppression. The fate of the natural industries appears to be a matter of complete indifference to them. The farmer in this province, who is the chief consumer, was never in worse case than at present; but, instead of seeking to afford him some relief, the Government, at the instance of these persons, is constantly devising fresh burdens for him, although the exodus figures show that the point where taxation becomes intolerable has nearly been reached. The lumbermen are also complaining, while the salt men protest that they are being literally ruined. The duties imposed for the purpose of bolstering the exotics also tell heavily upon such indigenous industries as those captained by Waterous, Raymond, Massey, Norris, Plewes, and Armstrong, of Guelph. The new iron duties, for example, are tantamount to a forced levy of \$30,000 a year on Mr. Massey's firm; that is, the advance in the price of their raw material caused by the increase in those duties is equivalent to that sum. Under ordinary circumstances Mr. Massey, and other manufacturers similarly circumstanced,

would no doubt charge the exalted price of the raw material to the finished article, and thereby shift the load from their own backs to the back of the unfortunate farmer. The home market, however, is quite bedevilled. The prospect of large gains held out by the tariff has attracted a great deal of capital into the implement industry, and the struggle for custom is so keen that only a portion of the exalted price can be saddled upon the consumer. Hence, as Mr. Massey says, "unless something is done for manufacturers in our line many will have to give up business." Yet the iron duties benefit four rolling mills and four only. Sir Charles Tupper told us—he is a sanguine man—that the duties would lead to the development of our iron deposits, and that within three years five and twenty-thousand men were to be employed in that industry alone. He entirely forgot that our home market is too small to admit of any considerable expansion in the output of iron, that we cannot send our iron to the States because of the heavy toll, and that for a variety of reasons we cannot compete with English iron in any neutral market. The net result is that, for the sake of keeping life in four rolling mills, and of placating a few Nova Scotians who have iron deposits to sell, and who complain of the taxes on their flour, cornmeal and manufactured goods, every industry in the Dominion in which iron enters as material has been injured, while the consumer is of course hit hardest of all. It would be easy to go through the whole list of exotics and show that the means adopted for coddling them in their perpetual infancy are reacting upon the natural industries in which the great bulk of the population is directly or indirectly engaged. The sugar duties, for instance, affect every industry in which sugar is used, and fleece the consumer out of a vast sum, which is divided amongst two or three refiners, who, in their pride of purse, actually boast that they are earning from 45 to 65 per cent. on their invested capital.

One of the journals whose melancholy duty it is to uphold this regime of legalized extortion has got hold of a theory known to economists as Alby's argument, from having been advanced by M. Alby, a French protectionist, some twenty years ago. Briefly stated, the contention is that under a high tariff each consumer consents to pay for all the products he requires a price augmented by the Customs duties, on condition of obtaining for his own products in the home market a price

equally augmented by the same means, so that they shall return him profit. In other words, while everybody in Canada is paying an exalted price, everybody is getting an exalted price; *ergo*, we are all profiting by the exclusion of the foreigner. But a moment's reflection will show that, so far at least as the natural industries of the country are concerned, this is not true. The high duties do not add a cent to the price of wheat, cattle, lumber, or fish, for we have a superabundance of those articles and are compelled to sell them in the free market. For the high prices they have to pay to the "sugar barons" and that ilk, the farmer, the lumberman and the fisherman, for the reason just given, receive no sort of compensation. And, as we have shown above, the high prices likewise militate against such manufacturers as Massey and Waterous by increasing the cost of their raw material and incapacitating them to that extent from competing in foreign markets. M. Alby's plea is not a sound one. The Restrictionist press had better stick to the cry of treason. A somewhat low estimate of popular intelligence is involved in the assumption that those who are seeking to relieve the many from the exactions of the few are endeavouring to wreck the Dominion. All who are not wilfully or hopelessly blind must perceive that, from Manitoba to Nova Scotia, the injustice of the restrictive policy is making the people discontented with their lot. It is obvious also that, so long as that policy remains in force, we cannot develop the great natural wealth of the country; for to do that we must have a market capable of absorbing a large annual production. Facts like these, however, do not disconcert our opponents, who believe, with the Wiltshire squire whom Cobden's friend Mr. Villiers encountered at an Anti-Corn law meeting, in "giving the country folk a good big mouthful about the danger to Church and State," That *argumentum ad ignorantiam* is the only effective weapon at their disposal, though we are inclined to think its edge has been dulled by too frequent use, and that the number of Canadians who can be made to believe that it is unpatriotic to agitate for commercial emancipation is growing smaller every day.

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2. The objects of the Club are to improve the trade relations and develop the industries of Canada by securing unrestricted reciprocity of trade between this country and the United States.

3. The Club is not connected with any political party ; it invites the co-operation of persons of whatever political party, who are favourable to Commercial Union.

4. The Club will welcome to its membership, and regard as eligible to its Executive Committee and officers, any who may be favourable to its object, in whatever part of the Province or Dominion they may reside.

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